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

**FORM S-1
REGISTRATION STATEMENT**
*Under
The Securities Act of 1933*

KYMERA THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2836
(Primary Standard Industrial
Classification Code Number)

81-2992166
(I.R.S. Employer
Identification Number)

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(857) 285-5300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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

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

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

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

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

| | | | |
|-------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Large Accelerated Filer | <input type="checkbox"/> | Accelerated Filer | <input type="checkbox"/> |
| Non-Accelerated Filer | <input checked="" type="checkbox"/> | Smaller Reporting Company | <input checked="" type="checkbox"/> |
| | | Emerging Growth Company | <input checked="" type="checkbox"/> |

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

CALCULATION OF REGISTRATION FEE

| TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED | PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1) | AMOUNT OF REGISTRATION FEE(2) |
|--|--|-------------------------------|
| Common Stock, par value \$0.0001 per share | \$ | \$ |

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes the aggregate offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.
- (2) Registration fee will be paid when registration statement is first publicly filed under the Securities Act of 1933, as amended.

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 that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

Pursuant to the applicable provisions of the Fixing America's Surface Transportation Act, we are not required to file our financial information for the three months ended March 31, 2020 because we plan to file our financial information for the six months ended June 30, 2020 in the first public filing of our registration statement. While the financial information for the three months ended March 31, 2020 is otherwise required by Regulation S-X, we believe that it will not be required to be separately presented in our registration statement at the time of the first public filing. We intend to amend the registration statement to include all financial information required by Regulation S-X at the date of such amendment before distributing a preliminary prospectus to investors.

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 jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED _____, 2020

PRELIMINARY PROSPECTUS

Shares



Common Stock

We are offering _____ shares of our common stock. This is our initial public offering. Prior to this offering, there has been no public market for our common stock. We expect the initial public offering price to be between \$ _____ and \$ _____ per share. We intend to apply to list our common stock on _____ under the symbol “_____.”

We are an “emerging growth company” under the federal securities laws and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings. See “Prospectus Summary—Implications of Being an Emerging Growth Company and a Smaller Reporting Company.”

Investing in our common stock involves a high degree of risk. Before buying any shares, you should carefully read the discussion of the material risks of investing in our common stock under the heading “[Risk Factors](#)” beginning on page 12 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities that may be offered under this prospectus, nor have any of these organizations determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

| | <u>PER SHARE</u> | <u>TOTAL</u> |
|---|------------------|--------------|
| Public offering price | \$ | \$ |
| Underwriting discounts and commissions ⁽¹⁾ | \$ | \$ |
| Proceeds, before expenses, to Kymera Therapeutics, Inc. | \$ | \$ |

(1) See "Underwriters" beginning on page 201 of this prospectus for additional information regarding the compensation payable to the underwriters.

Certain of our existing investors have agreed to purchase \$ _____ of our common stock in separate private placements concurrent with the completion of this offering at a price per share equal to the public offering price. The sale of such shares will not be registered under the Securities Act of 1933, as amended. The closing of this offering is not conditioned upon the closing of such concurrent private placements.

We have granted the underwriters an option for a period of 30 days to purchase an additional _____ shares of our common stock. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be \$ _____, and the total proceeds to us, before expenses, will be \$ _____.

Delivery of the shares of common stock is expected to be made on or about _____, 2020.

MORGAN STANLEY

BofA SECURITIES

COWEN

GUGGENHEIM SECURITIES

, 2020

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Neither we nor the underwriters have authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus, any amendment or supplement to this prospectus and any related free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus or in any free writing prospectus is only accurate as of its date, regardless of its time of delivery or the time of any sale of our common stock. Our business, financial condition, results of operations and future growth prospects may have changed since that date.

We own or have rights to various trademarks, service marks and trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this prospectus is not intended to, and does not imply a relationship with, or endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may appear without the ®, TM or SM symbols, but the omission of such references is not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable owner of these trademarks, service marks and trade names.

For investors outside of 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 the United States. Persons outside of 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 of the United States.

Numerical figures included in this prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

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The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, governmental publications, reports by market research firms or other independent sources that we believe to be reliable sources. 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. We are responsible for all of the disclosure contained in this prospectus, and we believe these industry publications and third-party research, surveys and studies are reliable. While we are not aware of any misstatements regarding any third-party information presented in this prospectus, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under the section entitled “Risk Factors” and elsewhere in this prospectus. Some data are also based on our good faith estimates.

PROSPECTUS SUMMARY

This summary highlights information contained in greater detail elsewhere in this prospectus. This summary 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 consolidated financial statements and the related notes thereto and the information set forth under the sections titled “Risk Factors,” “Special Note Regarding Forward-Looking Statements,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in each case included in this prospectus.

On November 1, 2018, Kymera Therapeutics, LLC, or Kymera LLC, a Delaware limited liability company, merged with and into Kymera Therapeutics, Inc., a Delaware corporation and the issuer of the shares of common stock offered by this prospectus, which we refer to as the Reorganization. As used in this prospectus, unless the context otherwise requires, references to “Kymera,” the “company,” “we,” “us” and “our” refer to (i) prior to the date of the Reorganization, Kymera LLC and its wholly owned, consolidated subsidiaries, or either or all of them as the context may require, and (ii) following the date of the Reorganization, Kymera Therapeutics, Inc., and its wholly owned, consolidated subsidiaries, or either or all of them as the context may require.

OVERVIEW

We are a biopharmaceutical company focused on discovering and developing novel small molecule therapeutics that selectively degrade disease-causing proteins by harnessing the body’s own natural protein degradation system. Our proprietary targeted protein degradation platform, which we refer to as Pegasus, allows us to discover highly selective small molecule protein degraders with potent activity against disease-causing proteins throughout the body. We believe that our small molecule protein degraders have significant advantages over existing therapies and allow us to address a large portion of the human genome that was previously intractable with traditional modalities. We focus on biological pathways that have been clinically validated but where key biological nodes/proteins have not been drugged or have been inadequately drugged. To date, we have utilized our Pegasus platform to design novel protein degraders focused in the areas of immunology-inflammation and oncology, and continue to apply our platform’s capabilities to additional therapeutic areas.

Our initial programs include IRAK4, IRAKIMiD, and STAT3, which each focus on a single critical signaling node within the genetically and clinically validated IL-1R/TLR and JAK/STAT pathways. Our programs exemplify our focus on addressing high impact targets that have been elusive to conventional modalities and that drive the pathogenesis of multiple serious diseases with significant unmet medical needs. We believe degrading these targets has the potential to treat multiple immune-inflammatory diseases, hematologic malignancies, and solid tumors. We expect KT-474, a molecule from our IRAK4 program, to begin a Phase 1 trial in the first half of 2021, and degraders from our IRAKIMiD and STAT3 programs to enter the clinic in the second half of 2021. We also have multiple programs in earlier stages of development and are exploring targets in therapeutic areas outside of our core areas of focus through our partnership with Vertex Pharmaceuticals Incorporated, or Vertex. The following table summarizes our development pipeline:

| Pathway | Program | Indication(s) | Discovery | Pre-Clinical | Clinical | Next Milestone | Rights |
|---------------------|-------------------------------------|---|-----------------|--------------|----------|----------------|-------------------|
| IL-1R/ TLR | IRAK4 | HS (Focus), AD, RA, Others | KT-474 | | | Ph1: 1H '21 | XYMER A |
| | | | Next Generation | | | | XYMER A |
| | IRAKIMID (IRAK4, Ikaros, Atales) | MYD-88 ^{WT} DLBCL | | | | Ph1: 2H '21 | XYMER A |
| JAK/ STAT | STAT3 | Liquid, Solid Tumors | | | | Ph1: 2H '21 | XYMER A |
| | STAT3 | Autoimmune, Fibrotic Diseases | | | | | XYMER A |
| Pegasus Platform | Internal | Leveraging the capabilities of our Pegasus platform, we are advancing multiple degrader programs in immunology-inflammation and genetically defined oncology indications | | | | | XYMER A |
| | Partnered | Our strategic collaboration with Vertex is focused on the research and development of degraders against at least 6 targets in disease areas outside of our core strategic focus of immunology-inflammation and oncology | | | | | XYMER A VERTEX |

● Oncology ● Immunology-Inflammation

Our Pegasus Platform

Our proprietary Pegasus platform enables us to design potent, highly selective molecules that utilize the body’s natural E3 ligase-directed protein disposal system called the ubiquitin-proteasome system, or UPS, to target and degrade disease-causing proteins. We believe our platform enables us to discover and develop novel protein degraders that optimize the use of the three essential elements of our small molecule protein degraders: an E3 ligase binding moiety, a target protein binding moiety, and a linker connecting the two. The key components of our Pegasus platform described below combine our broad understanding of the localization and expression levels of the hundreds of E3 ligases in the human body with our proprietary E3 Ligase Binders Toolbox, as well as our chemistry, biology, and computational capabilities to develop protein degraders that address significant, unmet medical needs.

- **E3 Ligase Whole-Body Atlas:** We have identified the expression profile of approximately 600 naturally-occurring unique E3 ligases across different tissues. This knowledge enables us to match a target protein with the appropriate E3 ligase based on expression, distribution, intracellular localization, and biology.
- **E3 Ligase Binders Toolbox:** Our E3 Ligase Whole-Body Atlas has allowed us to generate a toolbox of proprietary ligands designed to bind to an expanded library of E3 ligases that we believe will enable us to develop novel small molecule protein degraders with specific degradation profiles.
- **Ternary Complex Modeling:** Our structural biology information, combined with biochemical, biophysical, and computational characterization of ternary complexes is used to prospectively design highly efficient, selective, and potent degraders.
- **Quantitative System Pharmacology Model:** Our understanding of the *in vitro* and *in vivo* pharmacokinetic/pharmacodynamic, or PK/PD, relationships of our degraders across different tissues and cell types has allowed us to build an understanding of the diverse parameters that impact protein levels, and to model these parameters in different species, including humans.

- **Proprietary Chemistry:** Our expertise in proprietary chemistry provides us the opportunity to design degraders with optimized pharmaceutical properties tailored to not only specific diseases but also potentially targeted patient populations.

Our IRAK4, IRAKIMiD, and STAT3 Programs

We are developing KT-474, a potent, highly selective, orally bioavailable IRAK4 degrader, for the treatment of IL-1R/TLR-driven immunology-inflammation conditions and diseases with high unmet medical need, including hidradenitis suppurativa, our indication of focus, as well as atopic dermatitis and rheumatoid arthritis. We have chosen to pursue IRAK4 degradation due to the well-validated role of the IL-1R/TLR pathway in immunology and inflammation and the potential advantage that drugging a single node of multiple different mediators of inflammation has over other approaches focused on targeting one of many cytokines that stimulate the IRAK4 node. IRAK4 is a critical node in the IL-1R/TLR signaling pathway, which is dependent on both IRAK4's kinase activity and scaffolding function. We have demonstrated through our *in vitro* and *in vivo* studies that KT-474 induces IRAK4 degradation, impacting both the kinase and the scaffolding functions, and therefore can potently and selectively block IL-1R/TLR-mediated inflammation in a way we believe to be superior to IRAK4 kinase inhibitors. We therefore believe KT-474 has the potential to improve outcomes over current treatment options as well as other drugs currently in development. We expect to submit an Investigational New Drug Application, or IND, to the U.S. Food and Drug Administration and to initiate a Phase 1 trial in adult healthy volunteers in the first half of 2021.

We are developing another group of IRAK4 degraders, which we call IRAKIMiDs, with a unique profile that combines the activity of IRAK4 degradation and immunomodulatory imide drugs, or IMiDs, for the treatment of MYD88-mutated diffuse large B-cell lymphoma, or DLBCL. In oncology, IRAK4 is an obligate protein in MYD88 signaling and this activated mutation is well characterized to drive oncogenesis and IMiDs are a class of drugs that degrade zinc-finger transcription factors, such as Ikaros and Aiolos, resulting in the restoration of Type 1 interferon, or Type 1 IFN, signaling pathway which is relevant in treating lymphoma. Our IRAKIMiDs combine the activity of the IMiDs with IRAK4 degradation in a single agent and address both the IL-1R/TLR and the Type 1 IFN pathways synergistically and in doing so demonstrating broad activity against MYD88-mutant lymphomas. We believe this will be the first precision medicine in lymphoma to target a genetically defined population, which accounts for 25% to 30% of DLBCL patients. We have observed that the functional synergy between the degradation of IRAK4 and IMiD activity results in potent and broad activity against MYD88-mutant lymphomas *in vitro* and in mouse xenograft models, leading to rapid, complete and sustained tumor regressions, even when dosed intermittently. Our IRAKIMiD program is currently in preclinical development, and we expect to submit an IND to the FDA and initiate a Phase 1 trial in second half of 2021.

We are developing our first-in-class selective STAT3 degraders for the treatment of hematological malignancies and solid tumors, as well as autoimmune diseases and fibrosis. STAT3 is a transcription factor activated through a variety of different cytokine and growth factor receptors via JAKs, as well as through oncogenic fusion proteins and mutations in STAT3 itself. We believe the diverse functions of STAT3 in tumor biology, evasion of immune surveillance by tumor cells, and inflammation and fibrosis provide opportunities to address a wide variety of high unmet need disease indications through the targeting of a single genetically and clinically validated pathway. While the JAK-STAT pathway has been partially addressed with several clinically successful JAK-targeting agents, we believe there are currently no drugs that specifically affect STAT3 broadly across all the relevant cell types. Small molecule STAT3 dimerization inhibitors targeting the SH2 domain have been in development, but significant challenges remain: first, homology of SH2 domains among all STAT family members impacts the ability to achieve specificity for STAT3, and second, inability to block dimerization independent transcriptional activities of STAT3. For these reasons, we believe that STAT3 degraders may provide a transformative solution to develop targeted and specific drugs to address multiple STAT3 dependent pathologies. Our STAT3 program is currently in preclinical development, and we expect to submit an IND to the FDA and initiate a Phase 1 trial in second half of 2021.

Our Team

We are led by an experienced team of dedicated scientists and experts with decades of experience in the foundational areas of targeted protein degradation, or TPD, and drug development, including E3 ligase biology, ternary complex characterization and modeling, chemistry, pharmacology, PK/PD modeling, disease biology, translational medicine, and clinical development. Our internal efforts are complemented by important strategic collaborations, including our agreement with Vertex. Since our inception through March 31, 2020, we have raised over \$250 million in capital, including equity and upfront payments from investors and collaborators. Some of our current investors include our founding investor Atlas Venture, as well as Amgen Ventures, Bain Capital Life Sciences, Bessemer Venture Partners, Blackrock, BVF Partners, Hatteras Venture Partners, Janus Henderson Investors, Lilly Ventures, MRL Ventures Fund (Merck), Pfizer Ventures, Redmile Group, Rock Springs Capital, Sanofi Ventures, 6 Dimensions Capital, Solasta Ventures, Wellington Management, Vertex, and a large US-based, healthcare-focused fund.

OUR STRATEGY

Our mission is to discover, develop and commercialize novel and transformative therapies that improve the lives of patients with serious diseases, and we are committed to selection of targets that enable a broad impact across multiple clinical indications with high unmet medical need. We believe the unique discovery capabilities of our Pegasus platform will position us to be a leader in the area of targeted protein degradation. Our goal is to become a fully integrated biopharmaceutical company with a pipeline of novel therapeutics targeting disease-causing proteins that were previously intractable. We intend to achieve this goal by pursuing the strategic objectives set forth below.

- **Advance the development of our IRAK4, IRAKIMiD, and STAT3 programs to deliver transformative therapies to patients.**
- **Further expand the capabilities of our Pegasus platform to identify the optimal pairing of protein degraders with E3 ligases for a range of disease states.**
- **Continue to build a broad and diverse pipeline of novel protein degraders.**
- **Expand and protect our proprietary know-how and intellectual property.**
- **Pursue synergistic collaboration opportunities.**

RISKS ASSOCIATED WITH OUR BUSINESS

Our ability to implement our business strategy is subject to numerous risks that you should be aware of before making an investment decision. These risks are described more fully in the section entitled “Risk Factors” in this prospectus and include, among others:

- We are a biopharmaceutical company with a limited operating history and have not generated any revenue to date from drug sales, and may never become profitable.
- We have incurred significant operating losses in recent periods and anticipate that we will incur continued losses for the foreseeable future.
- Even if we consummate this offering, we will need to raise substantial additional funding. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, scale back or discontinue some of our product candidate development programs or future commercialization efforts.

- We are very early in our development efforts and our IRAK4, IRAKIMiD, and STAT3 programs are still in preclinical development. If we are unable to advance them into and through the clinic for safety or efficacy reasons or commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.
- Our approach to the discovery and development of product candidates based on our Pegasus platform is novel and unproven, which makes it difficult to predict the time, cost of development, and likelihood of successfully developing any products.
- Business interruptions resulting from the coronavirus disease (COVID-19) outbreak or similar public health crises could cause a disruption of the development of our product candidates and adversely impact our business.
- We may not be successful in our efforts to identify or discover additional product candidates or 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.
- If we experience delays or difficulties in the initiation or enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.
- Our current or future product candidates may cause adverse or other undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.
- Even if we receive regulatory approval for any of our current or future product candidates, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense.
- We rely, and expect to continue to rely, on third parties to conduct our ongoing and planned clinical trials for our current and future product candidates. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize our current and potential future product candidates and our business could be substantially harmed.
- If we are unable to obtain and maintain patent and other intellectual property protection for our technology and product candidates or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs may be impaired.

CONCURRENT PRIVATE PLACEMENTS

Certain of our existing investors have agreed to purchase \$ _____ of our common stock in separate private placements concurrent with the completion of this offering at a price per share equal to the public offering price. The sale of such shares will not be registered under the Securities Act of 1933, as amended. The closing of this offering is not conditioned upon the closing of such concurrent private placements.

CORPORATE INFORMATION

We were incorporated under the laws of Delaware in September 2015 under the name Project HSC, Inc. We are the successor in interest to Kymera Therapeutics, LLC, a limited liability company formed under the laws of the State of Delaware on May 25, 2017 and the former holder of all of our outstanding shares of common stock. Our principal executive offices are located at 300 Technology Square, 2nd Floor, Cambridge, MA 02139 and our telephone number is (857) 285-5300. Our website address is www.kymeratx.com. We do not incorporate the information on or accessible through our website into this prospectus, and you should not consider any information on, or that can be accessed through, our website to be part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

REORGANIZATION

As more fully described in the section entitled “Reorganization” appearing elsewhere in this prospectus, on November 1, 2018, we completed a series of transactions pursuant to which Kymera LLC merged with and into Kymera, with Kymera continuing as the surviving corporation. In connection with this Reorganization, all of the outstanding preferred unitholders of Kymera LLC received shares of convertible preferred stock of Kymera, all of the outstanding common unitholders of Kymera LLC received shares of common stock of Kymera and all of the holders of incentive units in Kymera LLC received shares of restricted common stock and stock options of Kymera.

IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY AND A SMALLER REPORTING COMPANY

We qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- only two years of audited financial statements 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;
- reduced disclosure about our executive compensation arrangements;
- no non-binding advisory votes on executive compensation or golden parachute arrangements; and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company on the date that is the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of \$1.07 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of this offering; (iii) the date on which we have issued more than \$1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. We may choose to take advantage of some but not all of these exemptions. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold stock. Additionally, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying

with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, therefore, while we are an emerging growth company we will not be subject to new or revised accounting standards at the same time that they become applicable to other public companies that are not emerging growth companies.

We are also a “smaller reporting company” as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies until the fiscal year following the determination that our voting and non-voting common stock held by non-affiliates is more than \$250 million measured on the last business day of our second fiscal quarter, or our annual revenues are less than \$100 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is more than \$700 million measured on the last business day of our second fiscal quarter.

THE OFFERING

| | |
|--|---|
| Common stock offered by us | shares |
| Common stock to be sold in the concurrent private placements | \$ million (or shares assuming an initial public offering price of \$, the midpoint of the estimated range set forth on the cover page of this prospectus) |
| Common stock to be outstanding immediately after this offering and the concurrent private placements | shares (shares if the underwriters exercise their option to purchase additional shares in full) |
| Underwriters' option to purchase additional shares | We have granted the underwriters a 30-day option to purchase up to an aggregate of additional shares of common stock from us at the public offering price, less underwriting discounts and commissions, on the same terms as set forth in this prospectus. |
| Use of proceeds | <p>We estimate that we will receive net proceeds from the sale of shares of our common stock in this offering of approximately \$ million, or \$ million if the underwriters exercise their option to purchase additional shares in full, assuming an initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. In addition, we estimate that the net proceeds from the concurrent private placements will be \$ million, after deducting estimated offering expenses payable by us.</p> <p>We intend to use the net proceeds from this offering and the concurrent private placements, together with our existing unrestricted cash, for (i) the advancement of our IRAK4 program; (ii) the advancement of our IRAKIMiD program; (iii) the advancement of our STAT3 program; and (iv) the continued expansion of our platform technology, preclinical studies for research stage programs, working capital and other general corporate purposes. For a more complete description of our intended use of the proceeds from this offering and the concurrent private placements, see "Use of Proceeds."</p> |
| Risk factors | Investment in our common stock involves substantial risks. You should read this prospectus carefully, including the section entitled "Risk Factors" and |

the consolidated financial statements and the related notes to those statements included in this prospectus, before investing in our common stock.

Proposed symbol

“ ”

The number of shares of our common stock to be outstanding after this offering and the concurrent private placements is based on shares of our common stock outstanding as of December 31, 2019, after giving effect to the conversion of all of our outstanding convertible preferred stock into 50,494,986 shares of our common stock upon the completion of this offering, and excludes:

- 4,697,527 shares of common stock issuable upon the exercise of stock options outstanding under our 2018 Stock Option and Grant Plan, as amended, or 2018 Plan, as of December 31, 2019, at a weighted average exercise price of \$1.27 per share;
- 7,649,782 shares of common stock reserved for issuance under our 2018 Plan as of December 31, 2019;
- shares of common stock to be reserved for future issuance under our 2020 Stock Option and Incentive Plan, or 2020 Plan, to be effective on the day immediately prior to the effectiveness of the registration statement of which this prospectus forms a part; and
- shares of common stock to be reserved for future issuance under our 2020 Employee Stock Purchase Plan, or 2020 ESPP, to be effective on the day immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.

Unless otherwise indicated, all information in this prospectus:

- gives effect to a reverse stock split of our common stock effected on ;
- assumes no exercise of the underwriters' option to purchase up to additional shares of common stock in this offering;
- assumes no exercise of the outstanding options described above;
- gives effect to the automatic conversion upon the completion of this offering of all of our outstanding shares of convertible preferred stock into an aggregate of 50,494,986 shares of common stock; and
- assumes the filing of our fourth amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, and the effectiveness of our second amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus is a part.

SUMMARY FINANCIAL DATA

The following tables summarize our financial and operating data for the periods indicated. Our historical results are not necessarily indicative of the results that may be expected in the future for a full year or any interim period. The summary financial information below should be read in conjunction with the information contained in “Selected Financial Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” our consolidated financial statements and notes thereto, and other financial information included elsewhere in this prospectus.

| | December 31, 2018 | December 31, 2019 |
|--|---|-------------------|
| | (In thousands, except share and per share data) | |
| Statement of Operations Data: | | |
| Collaboration Revenue—from related party | \$ — | \$ 2,934 |
| Operating expenses: | | |
| Research and development | \$ 17,679 | \$ 37,158 |
| General and administrative | 3,772 | 7,981 |
| Total operating expenses | 21,451 | 45,139 |
| Loss from operations | (21,451) | (42,205) |
| Other income (expense): | | |
| Interest Income | — | 1,005 |
| Interest Expense | (16) | (46) |
| Total other income (expense): | (16) | 959 |
| Net loss | \$ (21,467) | \$ (41,246) |
| Other comprehensive gain: | | |
| Unrealized gain on marketable securities | — | 6 |
| Total comprehensive loss | \$ (21,467) | \$ (41,240) |
| Net loss per share attributable to common stockholders, basic and diluted ⁽¹⁾ | \$ (11.45) | \$ (15.23) |
| Weighted average shares of common stock outstanding, basic and diluted ⁽¹⁾ | 1,875,498 | 2,708,937 |

- (1) See Note 2 to our audited consolidated financial statements appearing elsewhere in this prospectus for details on the calculation of basic and diluted net loss per share attributable to common stockholders.

| | As of December 31, 2019 | | |
|--|-------------------------|---|--|
| | Actual | Pro Forma (unaudited) ⁽¹⁾ | Pro Forma as Adjusted (unaudited) ⁽²⁾ |
| | (in thousands) | | |
| Consolidated Balance Sheet Data: | | | |
| Cash, cash equivalents and marketable securities | \$ 91,957 | \$ 184,937 | |
| Total assets | 116,702 | 209,682 | |
| Working capital ⁽³⁾ | 58,275 | 151,255 | |
| Total Liabilities | 82,028 | 82,028 | |
| Convertible preferred stock | 109,080 | — | |
| Accumulated deficit | (76,456) | (83,078) | |
| Total stockholders’ (deficit) equity | (74,406) | 127,654 | |

- (1) The pro forma consolidated balance sheet data gives effect to (i) the automatic conversion of our convertible preferred stock as of December 31, 2019 into an aggregate of 35,607,401 shares of common stock upon the completion of this offering, (ii) the sale of 1,182,265 shares of Series B convertible preferred stock in January 2020 for net cash proceeds of \$4.8 million and automatic conversion into 1,182,265 shares of common stock, (iii) the sale of 13,539,141 shares of Series C convertible preferred stock in March 2020 for net cash proceeds of approximately \$88.2 million and automatic conversion into 13,539,141 shares of common stock, and (iv) the automatic conversion of 166,179 unvested shares of Series A convertible preferred stock associated with a collaboration agreement.
- (2) The pro forma as adjusted consolidated balance sheet data gives effect to (i) the pro forma adjustments set forth in footnote (1) above, (ii) the 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, and (iii) the sale of _____ shares of our common stock in the concurrent private placements for net proceeds of \$ _____ after deducting estimated offering expenses and fees. Each \$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' (deficit) 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. Each 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' (deficit) equity by \$ _____ million, assuming no change in the assumed initial public offering price per share, assuming the number of shares sold in the concurrent private placements are decreased (increased) accordingly, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (3) We define working capital as current assets less current liabilities.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, as well as the other information in this prospectus, including our consolidated financial statements and related notes appearing elsewhere in this prospectus and the sections of this prospectus titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Special Note Regarding Forward-Looking Statements,” before you make an investment decision. The risks described below are not the only risks that we face. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and prospects. As a result, the market price of our common stock could decline, and you may lose all or part of your investment in our common stock.

Risks Related to Our Financial Position and Need for Additional Capital

We are a biopharmaceutical company with a limited operating history and have not generated any revenue to date from drug sales, and may never become profitable.

Biopharmaceutical drug development is a highly speculative undertaking and involves a substantial degree of risk. Since our formation in 2015 and our initial funding in 2016, our operations to date have been limited primarily to organizing and staffing our company, business planning, raising capital, researching and developing our drug discovery technology, developing our pipeline, building our intellectual property portfolio, and undertaking preclinical studies of our product candidates. We have never generated any revenue from drug sales. We have not obtained regulatory approvals for any of our current or future product candidates.

Typically, it takes many years to develop one new pharmaceutical drug from the time it is discovered to when it is available for treating patients. Consequently, any predictions we 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 a business with a limited operating history, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, such as the COVID-19 pandemic. We will need to transition from a company with a research and development focus to a company capable of supporting late stage development and commercial activities. We may not be successful in such a transition.

We have incurred significant operating losses since our inception and anticipate that we will incur continued losses for the foreseeable future.

Since inception, we have focused substantially all of our efforts and financial resources on developing our proprietary targeted protein degradation drug discovery platform, or the Pegasus platform, and initial product candidates as well as supporting our collaborations and partnerships. To date, we have financed our operations primarily through the issuance and sale of our convertible preferred stock to outside investors and collaborators in private equity financings. From our inception through December 31, 2019, we raised an aggregate of \$254.5 million of gross proceeds from such transactions and through our collaboration with Vertex Pharmaceuticals Incorporated, or Vertex. As of December 31, 2019, our cash and cash equivalents and investments were \$92.0 million. We have incurred net losses in each year since our inception, and we had an accumulated deficit of \$76.5 million as of December 31, 2019. For the years ended December 31, 2018 and 2019, we reported net losses of \$21.5 million and \$41.2 million, respectively. Substantially all of our operating losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over the next several years and for the foreseeable future. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our stockholders’ deficit and working capital. We expect our expenses to significantly increase in connection with our ongoing activities, as we:

- submit a planned Investigational New Drug application, or IND, with the U.S. Food and Drug Administration, or FDA, for KT-474 in the first half of 2021 and, if allowed to proceed, initiate a clinical trial in the first half of 2021;

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- continue preclinical activities of our initial IRAK4, IRAKIMiD and STAT3 programs;
- prepare and submit INDs with the FDA for other current and future product candidates;
- complete preclinical studies for current or future product candidates;
- initiate and complete clinical trials for current or future product candidates;
- expand and improve the capabilities of our Pegasus platform;
- contract to manufacture our product candidates;
- advance research and development related activities to expand our product pipeline;
- seek regulatory approval for our product candidates that successfully complete clinical development;
- develop and scale up our capabilities to support our ongoing preclinical activities and clinical trials for our product candidates and commercialization of any of our product candidates for which we may obtain marketing approval;
- maintain, expand and protect our intellectual property portfolio;
- hire additional staff, including clinical, scientific and management personnel;
- secure facilities to support continued growth in our research, development and commercialization efforts; and
- incur additional costs associated with operating as a public company upon the completion of this offering.

In addition, if we obtain marketing approval for our current or future product candidates, we will incur significant expenses relating to sales, marketing, product manufacturing and distribution. Because of the numerous risks and uncertainties associated with developing pharmaceutical drugs, including in light of the ongoing evolution of the COVID-19 pandemic, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

We are very early in our development efforts. All of our 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.

Our ability to become profitable depends upon our ability to generate revenue. To date, while we have generated collaboration revenue, we have not generated any revenue from our product candidates, and we do not expect to generate any revenue from the sale of drugs in the near future. We do not expect to generate revenue from product sales unless and until we complete the development of, obtain marketing approval for, and begin to sell, one or more of our product candidates. We are also unable to predict when, if ever, we will be able to generate revenue from such product candidates due to the numerous risks and uncertainties associated with drug development, including the uncertainty of:

- our plans to submit INDs to the FDA for KT-474 and future product candidates;
- our ability to successfully complete preclinical studies for our IRAK4, IRAKIMiD and STAT3 programs, and other current or future product candidates;
- our successful initiation, enrollment in and completion of clinical trials, including our ability to generate positive data from any such clinical trials;
- our ability to establish an appropriate safety profile with IND-enabling toxicology and other preclinical studies for KT-474, as well as our IRAKIMiD and STAT3 programs;
- our ability to receive regulatory approvals from applicable regulatory authorities;

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- the initiation and successful completion of all safety studies required to obtain U.S. and foreign marketing approval for our product candidates;
- the costs associated with the development of any additional development programs we identify in-house or acquire through collaborations or other arrangements;
- our ability to establish manufacturing capabilities or make arrangements with third-party manufacturers for clinical supply and commercial manufacturing;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others;
- obtaining and maintaining acceptance of our product candidates, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement;
- the terms and timing of any additional collaboration, license or other arrangement, including the terms and timing of any payments thereunder;
- our ability to enforce and defend intellectual property rights and claims; and
- our ability maintain a continued acceptable safety profile of our product candidates following approval.

We expect to incur significant sales and marketing costs as we prepare to commercialize our current or future product candidates. Even if we initiate and successfully complete pivotal or registration-enabling clinical trials of our current or future product candidates, and our current or future product candidates are approved for commercial sale, and despite expending these costs, our current or future product candidates may not be commercially successful. We may not achieve profitability soon after generating drug sales, if ever. If we are unable to generate revenue, we will not become profitable and may be unable to continue operations without continued funding.

Even if we consummate this offering, we will need to raise substantial additional funding. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, scale back or discontinue some of our product candidate development programs or future commercialization efforts.

The development of pharmaceutical drugs is capital-intensive. We are currently advancing multiple development candidates through preclinical development across a number of potential indications. We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we continue the research and development of, advance the preclinical and clinical activities of, and seek marketing approval for, our current or future product candidates. In addition, if we obtain marketing approval for any of our current or future product candidates, we expect to incur significant commercialization expenses related to sales, marketing, product manufacturing and distribution to the extent that such sales, marketing, product manufacturing and distribution are not the responsibility of our collaborators. We may also need to raise additional funds sooner if we choose to pursue additional indications and/or geographies for our current or future product candidates or otherwise expand more rapidly than we presently anticipate. 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 attractive terms, we would be forced to delay, scale back or discontinue the development and commercialization of one or more of our product candidates, and may be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

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We expect that the net proceeds from this offering and the concurrent private placements, together with our existing cash and cash equivalents and marketable securities, will be sufficient to fund our operations through . We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. This estimate also assumes that we do not obtain any additional funding through collaborations or other strategic alliances. Our future capital requirements will depend on, and could increase significantly as a result of, many factors, including:

- the scope, progress, results and costs of drug discovery, preclinical development, laboratory testing and planned clinical trials for our current or future product candidates, including additional expenses attributable to adjusting our development plans (including any supply related matters) in response to the COVID-19 pandemic;
- the scope, prioritization and number of our research and development programs;
- the costs, timing and outcome of regulatory review of our current or future product candidates;
- our ability to establish and maintain additional collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under any additional collaboration agreements we obtain;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other current or future product candidates and technologies;
- the costs of securing manufacturing arrangements for commercial production; and
- the costs of establishing or contracting for sales and marketing capabilities if we obtain regulatory clearances to market our current or future product candidates.

Identifying potential current or future product candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve drug sales. In addition, our current or future product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional funding to achieve our business objectives.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current or future product candidates. Disruptions in the financial markets in general may make equity and debt financing more difficult to obtain and may have a material adverse effect on our ability to meet our fundraising needs. We cannot guarantee that future financing will be available in sufficient amounts or on terms favorable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities would dilute all of our stockholders. The incurrence of indebtedness would result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborators or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or current or future product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

Changes in tax law may adversely affect us or our investors.

The rules dealing with U.S. federal, state and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service, or IRS, and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many changes have been made and changes are likely to continue to occur in the future.

For example, the Tax Cuts and Jobs Act, or the TCJA, was enacted in 2017 and made significant changes to corporate taxation, including the reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, the limitation of the tax deduction for net interest expense to 30% of adjusted taxable income (except for certain small businesses), the limitation of the deduction for net operating losses from taxable years beginning after December 31, 2017 to 80% of current year taxable income and the elimination of net operating loss carrybacks generated in taxable years ending after December 31, 2017 (though any such net operating losses may be carried forward indefinitely), and the modification or repeal of many business deductions and credits. In addition, on March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, which included certain changes in tax law intended to stimulate the U.S. economy in light of the COVID-19 coronavirus outbreak, including temporary beneficial changes to the treatment of net operating losses, interest deductibility limitations and payroll tax matters.

It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws may be enacted, or regulations and rulings may be enacted, promulgated or issued under existing or new tax laws, which could result in an increase in our or our shareholders' tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes to offset future taxable income may be subject to certain limitations.

As of December 31, 2019, we had federal and state net operating loss carryforwards of \$71.5 million and \$68.3 million, respectively, which begin to expire in various amounts in 2036 (other than federal net operating loss carryforwards arising in taxable years beginning after December 31, 2017, which are not subject to expiration). As of December 31, 2019, we also had federal and state research and development tax credit carryforwards of \$1.1 million and \$0.7 million, respectively, which begin to expire in 2036. These net operating loss and tax credit carryforwards could expire unused and be unavailable to offset future income tax liabilities. In addition, in general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses or tax credits, or NOLs or credits, to offset future taxable income or taxes. For these purposes, an ownership change generally occurs where the aggregate stock ownership of one or more stockholders or groups of stockholders who owns at least 5% of a corporation's stock increases its ownership by more than 50 percentage points over its lowest ownership percentage within a specified testing period. Our existing NOLs or credits may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering, our ability to utilize NOLs or credits could be further limited by Sections 382 and 383 of the Code. In addition, future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Sections 382 and 383 of the Code. Our NOLs or credits may also be impaired under state law. Accordingly, we may not be able to utilize a material portion of our NOLs or credits. Furthermore, our ability to utilize our NOLs or credits is conditioned upon our attaining profitability and generating U. S. federal and state taxable income. As described above under "Risk Factors—Risks Related to our Financial Position and Need for Additional Capital," we have incurred significant net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future; and therefore, we do not know whether or when we will generate the U.S. federal or state taxable income necessary to utilize our NOL or credit carryforwards that are subject to limitation by Sections 382 and 383 of the Code.

Risks Related to Drug Development and Regulatory Approval

Our approach to the discovery and development of product candidates based on our Pegasus platform is novel and unproven, which makes it difficult to predict the time, cost of development and likelihood of successfully developing any products.

Our Pegasus platform utilizes a method known as targeted protein degradation, or TPD, to discover and develop product candidates. Our future success depends on the successful development of this novel therapeutic approach. No product candidates using TPD have been approved in the United States or Europe, and the data underlying the feasibility of developing such therapeutic products is both preliminary and limited. In addition, we have not yet succeeded and may not succeed in demonstrating the efficacy and safety of any of our product candidates in clinical trials or in obtaining marketing approval thereafter. In particular, our ability to successfully achieve TPD with a therapeutic result requires the successful development of heterobifunctional molecules that were intentionally designed with a rational drug development process and developing those molecules with the right combination of protein targets and E3 ligases. This is a complex process requiring a number of component parts or biological mechanisms to work in unison to achieve the desired effect. We cannot be certain that we will be able to discover degraders by matching the right target with the ideal E3 ligase and the right linker in a timely manner, or at all. We have not yet initiated a clinical trial of any product candidate and we have not yet assessed safety of any product candidate in humans. As such, there may be adverse effects from treatment with any of our current or future product candidates that we cannot predict at this time.

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 Pegasus platform, or any similar or competitive platforms, will result in the development and marketing approval of any products. Any development problems we experience in the future related to our Pegasus platform or any of our research programs may cause significant delays or unanticipated costs or may prevent the development of a commercially viable product. Any of these factors may prevent us from completing our preclinical studies or 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 may not be successful in our efforts to identify or discover additional product candidates or 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.

A key element of our strategy is to apply our Pegasus platform and product pipeline to address a broad array of targets and new therapeutic areas. The therapeutic discovery activities that we are conducting may not be successful in identifying product candidates that are useful in treating oncology, inflammation, immunology and genetic disease. Our research programs may be unsuccessful in identifying potential product candidates, or our potential product candidates may be shown to have harmful side effects or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval.

Because we have limited financial and management resources, we focus on a limited number of research programs and product candidates. We are currently focused on our three most advanced development programs IRAK4, IRAK1MiD, and STAT3, which target key signaling pathways implicated in multiple inflammatory and autoimmune diseases as well as numerous cancers. As a result, we may forego or delay pursuit of opportunities with other current or future product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial drugs or profitable market opportunities. Our spending on current and future research and development programs and current or future product candidates for specific indications may not yield any commercially viable drugs. 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 future 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 depend heavily on the successful development of our lead programs. We cannot be certain that we will be able to obtain regulatory approval for, or successfully commercialize, any of our current or future product candidates.

We currently have no product candidates approved for sale and may never be able to develop marketable product candidates. Our business depends heavily on the successful development, regulatory approval and commercialization of our current or future product candidates, including our IRAK4, IRAKIMiD, and STAT3 programs. The preclinical studies and future clinical trials of our current or future product candidates are, and the manufacturing and marketing of our current or future product candidates will be, subject to extensive and rigorous review and regulation by numerous government authorities in the U.S. and in other countries where we intend to test or, if approved, market any of our current or future product candidates. Before obtaining regulatory approvals for the commercial sale of any of our current or future product candidates, we must demonstrate through preclinical studies and clinical trials that each product candidate is safe and effective for use in each target indication. Drug development is a long, expensive and uncertain process, and delay or failure can occur at any stage of any of our preclinical studies and clinical trials. This process can take many years and may include post-marketing studies and surveillance, which will require the expenditure of substantial resources beyond the proceeds we raise in this offering. Of the large number of drugs in development in the U.S., only a small percentage will successfully complete the FDA regulatory approval process and will be commercialized, with similarly low rates of success for drugs in development in the European Union obtaining regulatory approval from the European Medicines Agency, or EMA. Accordingly, even if we are able to obtain the requisite financing to continue to fund our development and preclinical studies and clinical trials, we cannot assure you that any of our current or future product candidates will be successfully developed or commercialized.

We are not permitted to market our current or future product candidates in the U.S. until we receive approval of a New Drug Application, or an NDA, from the FDA, in the European Economic Area, or EEA, until we receive approval of a marketing authorization applications, or an MAA, from the EMA, or in any other foreign countries until we receive the requisite approval from such countries. Obtaining approval of an NDA or MAA is a complex, lengthy, expensive and uncertain process, and the FDA or EMA may delay, limit or deny approval of any of our current or future product candidates for many reasons, including, among others:

- we may not be able to demonstrate that our current or future product candidates are safe and effective in treating their target indications to the satisfaction of the FDA or applicable foreign regulatory agency;
- the results of our preclinical studies and clinical trials may not meet the level of statistical or clinical significance required by the FDA or applicable foreign regulatory agency for marketing approval;
- the FDA or applicable foreign regulatory agency may disagree with the number, design, size, conduct or implementation of our preclinical studies and clinical trials;
- the FDA or applicable foreign regulatory agency may require that we conduct additional preclinical studies and clinical trials;
- the FDA or applicable foreign regulatory agency may not approve the formulation, labeling or specifications of any of our current or future product candidates;
- the contract research organizations, or CROs, that we retain to conduct our preclinical studies and clinical trials may take actions outside of our control that materially adversely impact our preclinical studies and clinical trials;

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- the FDA or applicable foreign regulatory agency may find the data from preclinical studies and clinical trials insufficient to demonstrate that our current or future product candidates' clinical and other benefits outweigh their safety risks;
- the FDA or applicable foreign regulatory agency may disagree with our interpretation of data from our preclinical studies and clinical trials;
- the FDA or applicable foreign regulatory agency may not accept data generated at our preclinical studies and clinical trial sites;
- if our NDA, if and when submitted, is reviewed by an advisory committee, the FDA may have difficulties scheduling an advisory committee meeting in a timely manner or the advisory committee may recommend against approval of our application or may recommend that the FDA require, as a condition of approval, additional preclinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions;
- the FDA may require development of a Risk Evaluation and Mitigation Strategy, or REMS, as a condition of approval or post-approval;
- the FDA or the applicable foreign regulatory agency may determine that the manufacturing processes or facilities of third-party manufacturers with which we contract do not conform to applicable requirements, including current Good Manufacturing Practices, or cGMPs;
- the FDA or applicable foreign regulatory agency may be delayed in their review processes due to staffing or other constraints arising from the COVID-19 pandemic; or
- the FDA or applicable foreign regulatory agency may change its approval policies or adopt new regulations.

Any of these factors, many of which are beyond our control, could jeopardize our ability to obtain regulatory approval for and successfully market our current or future product candidates. Any such setback in our pursuit of regulatory approval would have a material adverse effect on our business and prospects.

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

There may be delays in trial initiation, and we may not be able 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 the U.S. In particular, our ability to open clinical sites and enroll patients may be significantly delayed by the evolving COVID-19 pandemic and we do not know the extent and scope of such delays at this point. Moreover, some of our competitors have ongoing clinical trials for current or future product candidates that treat the same patient populations as our current or future product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' current or future product candidates.

Patient enrollment may be affected by other factors including:

- the size and nature of the patient population;
- competition with other companies for clinical sites or patients;
- the willingness of participants to enroll in our clinical trials in our countries of interest;
- the severity of the disease under investigation;
- the eligibility criteria for the clinical trial in question;
- the availability of an appropriate screening test for the indications we are pursuing;
- the perceived risks and benefits of the product candidate under study;

- the efforts to facilitate timely enrollment in and completion of 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; and
- factors we may not be able to control, such as potential pandemics that may limit subjects, principal investigators or staff or clinical site availability (e.g., the outbreak of COVID-19).

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

The precise incidence and prevalence for the indications being pursued by our current and future product candidates is currently unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on estimates. We are developing KT-474, a potent, highly selective, orally bioavailable IRAK4 degrader for the treatment of a broad set of immunology-inflammation diseases, such as hidradenitis suppurativa, atopic dermatitis, and rheumatoid arthritis. The total addressable market opportunity for our product candidates will ultimately depend upon, among other things, its proven safety and efficacy, the diagnosis criteria included in the final label for each, whether our product candidates are approved for sale for these indications, acceptance by the medical community and patient access, product pricing and reimbursement. The number of patients for our product candidates in the United States and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our products, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals for our current or future product candidates, we will not be able to commercialize, or will be delayed in commercializing, our current or future product candidates, and our ability to generate revenue will be materially impaired.

Our current or future 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, distribution, import, and export, are subject to comprehensive regulation by the FDA and other regulatory agencies in the U.S. and by comparable authorities in other countries. Before we can commercialize any of our current or future product candidates, we must obtain marketing approval from the regulatory authorities in the relevant jurisdictions. We have not received approval to market any of our current or future product candidates from regulatory authorities in any jurisdiction, and it is possible that none of our current product candidates, nor any product candidates we may seek to develop in the future, will ever obtain regulatory approval. As a company, we have only limited experience in filing and supporting the applications necessary to gain regulatory approvals and expect to rely on third-party CROs and/or regulatory consultants to assist us in this process. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing regulatory approval also requires the submission of information about the drug manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Our current or future 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.

The process of obtaining regulatory approvals, both in the U.S. and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon

a variety of factors, including the type, complexity and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted NDA or equivalent application type outside the U.S., may cause delays in the approval or rejection of an application. The FDA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. Our current or future product candidates could be delayed in receiving, or fail to receive, regulatory approval for many reasons, including the following:

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

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

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

A pandemic, epidemic, or outbreak of an infectious disease, such as COVID-19, may materially and adversely affect our business and our financial results and could cause a disruption to the development of our product candidates.

Public health crises such as pandemics or similar outbreaks could adversely impact our business. In December 2019, a novel strain of a virus named SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), or coronavirus, which causes COVID-19, surfaced in Wuhan, China and has since spread worldwide, including to Eastern Massachusetts where our primary office and laboratory space is located. The coronavirus pandemic is evolving, and to date has led to the implementation of various responses, including government-imposed quarantines, travel restrictions and other public health safety measures. The extent to which the

coronavirus impacts our operations or those of our third-party partners, including our preclinical studies or clinical trial operations, will also depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that will emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others. The continued spread of COVID-19 globally could adversely impact our preclinical or clinical trial operations in the U.S. and abroad, including our ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19. For example, similar to other biopharmaceutical companies, we may experience delays in enrolling our initial clinical trials currently planned for 2021. COVID-19 may also affect employees of third-party CROs located in affected geographies that we rely upon to carry out our clinical trials. In addition, the patient populations that our lead and other core product candidates target may be particularly susceptible to COVID-19, which may make it more difficult for us to identify patients able to enroll in our future clinical trials and may impact the ability of enrolled patients to complete any such trials. Any negative impact COVID-19 has to patient enrollment or treatment or the execution of our product candidates could cause costly delays to clinical trial activities, which could adversely affect our ability to obtain regulatory approval for and to commercialize our product candidates, increase our operating expenses, and have a material adverse effect on our financial results.

Additionally, timely enrollment in planned clinical trials is dependent upon clinical trial sites which will be adversely affected by global health matters, such as pandemics. We plan to conduct clinical trials for our product candidates in geographies which are currently being affected by the coronavirus. Some factors from the coronavirus outbreak that will delay or otherwise adversely affect enrollment in the clinical trials of our product candidates, as well as our business generally, include:

- the potential diversion of healthcare resources away from the conduct of clinical trials to focus on pandemic concerns, including the attention of physicians serving as our clinical trial investigators, hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our prospective clinical trials;
- limitations on travel that could interrupt key trial and business activities, such as clinical trial site initiations and monitoring, domestic and international travel by employees, contractors or patients to clinical trial sites, including any government-imposed travel restrictions or quarantines that will impact the ability or willingness of patients, employees or contractors to travel to our clinical trial sites or secure visas or entry permissions, a loss of face-to-face meetings and other interactions with potential partners, any of which could delay or adversely impact the conduct or progress of our prospective clinical trials;
- the potential negative affect on the operations of our third-party manufacturers. For example, in February 2020, one of our vendors for active pharmaceutical ingredient, or API, starting materials based in Wuhan, China ceased its operations for several weeks due to the COVID-19 pandemic, which caused a minor delay in the delivery of API starting materials to a separate vendor who manufactures API;
- interruption in global shipping affecting the transport of clinical trial materials, such as patient samples, investigational drug product and conditioning drugs and other supplies used in our prospective clinical trials; and
- business disruptions caused by potential workplace, laboratory and office closures and an increased reliance on employees working from home, disruptions to or delays in ongoing laboratory experiments and operations, staffing shortages, travel limitations or mass transit disruptions, any of which could adversely impact our business operations or delay necessary interactions with local regulators, ethics committees and other important agencies and contractors.

We have taken temporary precautionary measures intended to help minimize the risk of the virus to our employees, including temporarily requiring part or all of our employees to work remotely, suspending all

non-essential travel worldwide for our employees and discouraging employee attendance at industry events and in-person work-related meetings, which could negatively affect our business. We cannot presently predict the scope and severity of the planned and potential shutdowns or disruptions of businesses and government agencies, such as the Securities and Exchange Commission, or the SEC, or FDA.

These and other factors arising from the coronavirus could worsen. Any of these factors, and other factors related to any such disruptions that are unforeseen, could have a material adverse effect on our business and our results of operation and financial condition. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the United States and other economies, which could impact our ability to raise the necessary capital needed to develop and commercialize our product candidates.

Our current or future product candidates may cause adverse or other undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

We have not evaluated any product candidates in human clinical trials. Undesirable side effects caused by our current or future product candidates could cause us to interrupt, delay or halt preclinical studies or could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other regulatory authorities. As is the case with many treatments for inflammatory and autoimmune diseases, cancer or other diseases, it is likely that there may be adverse side effects associated with the use of our product candidates. Additionally, a potential risk in any protein degradation product is that healthy proteins or proteins not targeted for degradation will be degraded or that the degradation of the targeted protein in itself could cause adverse events, undesirable side effects, or unexpected characteristics. It is possible that healthy proteins or proteins not targeted for degradation could be degraded using our degrader molecules in any of our planned or future clinical studies. There is also the potential risk of delayed adverse events following treatment using any of our current or future product candidates.

These side effects could arise due to off-target activity, allergic reactions in trial subjects, or unwanted on-target effects in the body. Results of our planned clinical trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our current or future product candidates for any or all targeted indications. The drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Further, our current or future product candidates could cause undesirable side effects in clinical trials related to on-target toxicity. If on-target toxicity is observed, or if our current or future product candidates have characteristics that are unexpected, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Many compounds that initially showed promise in early-stage testing for treating cancer or other diseases have later been found to cause side effects that prevented further development of the compound.

Further, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients and limited duration of exposure, rare and severe side effects of our current or future product candidates may only be uncovered with a significantly larger number of patients exposed to the product candidate. If our current or future product candidates receive marketing approval and we or others identify undesirable side effects caused by such current or future product candidates after such approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw or limit their approval of such current or future product candidates;

- regulatory authorities may require the addition of labeling statements, such as a “boxed” warning or a contraindication;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we may be required to change the way such current or future product candidates are distributed or administered, conduct additional clinical trials or change the labeling of the current or future product candidates;
- regulatory authorities may require a REMS plan to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools;
- we may be subject to regulatory investigations and government enforcement actions;
- we may decide to remove such current or future product candidates from the marketplace;
- we could be sued and held liable for injury caused to individuals exposed to or taking our current or future product candidates; and
- our reputation may suffer.

We believe that any of these events could prevent us from achieving or maintaining market acceptance of the affected product candidates and could substantially increase the costs of commercializing our current or future product candidates, if approved, and significantly impact our ability to successfully commercialize our current or future product candidates and generate revenues.

Breakthrough Therapy Designation and Fast Track Designation by the FDA, even if granted for any of our current or future product candidates, may not lead to a faster development, regulatory review or approval process, and such designations do not increase the likelihood that any of our product candidates will receive marketing approval in the United States.

We may seek a Breakthrough Therapy Designation for one or more of our current or future 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 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 may also be eligible for priority review and accelerated approval. Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our current or future product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy Designation for a current or future product candidate may not result in a faster development process, review or approval compared to therapies 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 current or future product candidates qualify as breakthrough therapies, the FDA may later decide that such product candidates no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

We may seek Fast Track Designation for one or more of our current or future 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 Fast Track Designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular current or

future 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 for certain current or future product candidates, 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. Fast Track Designation alone does not guarantee qualification for the FDA's priority review procedures.

We may seek Orphan Drug Designation for certain of our current or future product candidates, and we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for market exclusivity.

As part of our business strategy, we may seek Orphan Drug Designation for certain indications of our current or future product candidates, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the U.S. and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the U.S., or a patient population greater than 200,000 in the U.S. where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the U.S.. In the U.S., Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers.

Similarly, in Europe, the European Commission, upon the recommendation of the EMA's Committee for Orphan Medicinal Products, grants Orphan Drug Designation to promote the development of drugs that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than 5 in 10,000 persons in Europe and for which no satisfactory method of diagnosis, prevention, or treatment has been authorized (or the product would be a significant benefit to those affected). Additionally, designation is granted for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, Orphan Drug Designation entitles a party to financial incentives such as reduction of fees or fee waivers.

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 U.S. and ten years in the European Union. The exclusivity period in the European Union 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 competing drugs containing a different active ingredient 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.

Even if we receive regulatory approval for any of our current or future product candidates, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. Additionally, our current or future product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates when and if any of them are approved.

If the FDA or a comparable foreign regulatory authority approves any of our current or future product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the drug will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration requirements, and continued compliance with cGMPs and Good Clinical Practices, or GCPs, for any clinical trials that we conduct post-approval. Any regulatory approvals that we receive for our current or future product candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the drug. Later discovery of previously unknown problems with a drug, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

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

The FDA's policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our current or future product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

Positive results from early preclinical studies of our current or future product candidates are not necessarily predictive of the results of later preclinical studies and clinical trials of our current or future product candidates. If we cannot replicate the positive results from our preclinical studies of our current or future product candidates in our future clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize our current or future product candidates.

Positive results from our preclinical studies of our current or future product candidates, and any positive results we may obtain from our early clinical trials of our current or future product candidates, may not necessarily be predictive of the results from required later preclinical studies and clinical trials. Similarly, even if we are able to complete our planned preclinical studies or any clinical trials of our current or future product candidates according to our current development timeline, the positive results from such preclinical studies and

clinical trials of our current or future product candidates may not be replicated in subsequent preclinical studies or clinical trial results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in preclinical studies and clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain approval from the FDA or comparable foreign regulatory authority. If we fail to produce positive results in our planned preclinical studies or clinical trials of any of our current or future product candidates, the development timeline and regulatory approval and commercialization prospects for our current or future product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

Even if we receive marketing approval for our current or future product candidates in the U.S., we may never receive regulatory approval to market our current or future product candidates outside of the U.S.

We plan to seek regulatory approval of our current or future product candidates outside of the U.S. In order to market any product outside of the U.S., however, we must establish and comply with the numerous and varying safety, efficacy and other regulatory requirements of other countries. Approval procedures vary among countries and can involve additional product candidate testing and additional administrative review periods. The time required to obtain approvals in other countries might differ substantially from that required to obtain FDA approval. The marketing approval processes in other countries generally implicate all of the risks detailed above regarding FDA approval in the U.S. as well as other risks. In particular, in many countries outside of the U.S., products must receive pricing and reimbursement approval before the product can be commercialized. Obtaining this approval can result in substantial delays in bringing products to market in such countries. Marketing approval in one country does not ensure marketing approval in another, but a failure or delay in obtaining marketing approval in one country may have a negative effect on the regulatory process in others. Failure to obtain marketing approval in other countries or any delay or other setback in obtaining such approval would impair our ability to market our current or future product candidates in such foreign markets. Any such impairment would reduce the size of our potential market, which could have a material adverse impact on our business, results of operations and prospects.

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

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

We do not have our own manufacturing facilities or personnel and currently rely, and expect to continue to rely, on third parties for the manufacture of our current or future product candidates. These third-party manufacturing providers may not be able to provide adequate resources or capacity to meet our needs and may incorporate their own proprietary processes into our product candidate manufacturing processes. We have limited control and oversight of a third party's proprietary process, and a third party may elect to modify its process without our consent or knowledge. These modifications could negatively impact our manufacturing, including product loss or failure that requires additional manufacturing runs or a change in manufacturer, either of which could significantly increase the cost of and significantly delay the manufacture of our current or future product candidates.

As our current or future product candidates progress through preclinical studies and clinical trials towards potential approval and commercialization, it is expected that various aspects of the manufacturing process will be altered in an effort to optimize processes and results. Such changes may require amendments to be made to

regulatory applications which may further delay the timeframes under which modified manufacturing processes can be used for any of our current or future product candidates and additional bridging studies or trials may be required. Any such delay could have a material adverse impact on our business, results of operations and prospects.

Our future growth may depend, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties that could materially adversely affect our business.

We are not permitted to market or promote any of our current or future product candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market, and we may never receive such regulatory approval for any of our current or future product candidates. To obtain separate regulatory approval in many other countries we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our current or future product candidates, and we cannot predict success in these jurisdictions. If we obtain approval of our current or future product candidates and ultimately commercialize our current or future product candidates in foreign markets, we would be subject to additional risks and uncertainties, including:

- differing regulatory requirements in foreign countries, such that obtaining regulatory approvals outside of the U.S. may take longer and be more costly than obtaining approval in the U.S.;
- our customers' ability to obtain reimbursement for our current or future product candidates in foreign markets;
- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- import or export licensing requirements;
- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training;
- reduced protection of intellectual property rights in some foreign countries;
- the existence of additional potentially relevant third-party intellectual property rights;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the U.S.;
- potential liability under the Foreign Corrupt Practices Act of 1977 or comparable foreign regulations;
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute;

- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

Foreign sales of our current or future product candidates could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs.

We may in the future conduct clinical trials for current or future product candidates outside the U.S., and the FDA and comparable foreign regulatory authorities may not accept data from such trials.

We may in the future choose to conduct one or more clinical trials outside the U.S., including in Europe. The acceptance of study data from clinical trials conducted outside the U.S. or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the U.S., the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the U.S. or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in current or future product candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

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

Among other matters, U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations, which we collectively refer to as Trade Laws, prohibit companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors, and other partners from authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations.

Governments outside the United States tend to impose strict price controls, which may adversely affect our revenues, if any.

In some countries, particularly in 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 drug. To obtain coverage and reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. In addition, many countries outside the U.S. have limited government support programs that provide for reimbursement of drugs such as our product candidates, with an emphasis on private payors for access to commercial products. If reimbursement of our product candidates is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

Risks Related to Commercialization

Even if we receive marketing approval for our current or future product candidates, our current or future product candidates may not achieve broad market acceptance, which would limit the revenue that we generate from their sales.

The commercial success of our current or future product candidates, if approved by the FDA or other applicable regulatory authorities, will depend upon the awareness and acceptance of our current or future product candidates among the medical community, including physicians, patients and healthcare payors. Market acceptance of our current or future product candidates, if approved, will depend on a number of factors, including, among others:

- the efficacy of our current or future product candidates as demonstrated in clinical trials, and, if required by any applicable regulatory authority in connection with the approval for the applicable indications, to provide patients with incremental health benefits, as compared with other available medicines;
- limitations or warnings contained in the labeling approved for our current or future product candidates by the FDA or other applicable regulatory authorities;
- the clinical indications for which our current or future product candidates are approved;
- availability of alternative treatments already approved or expected to be commercially launched in the near future;
- the potential and perceived advantages of our current or future product candidates over current treatment options or alternative treatments, including future alternative treatments;
- the willingness of the target patient population to try new therapies or treatment methods and of physicians to prescribe these therapies or methods;
- the need to dose such product candidates in combination with other therapeutic agents, and related costs;
- the strength of marketing and distribution support and timing of market introduction of competitive products;
- publicity concerning our products or competing products and treatments;
- pricing and cost effectiveness;
- the effectiveness of our sales and marketing strategies;
- our ability to increase awareness of our current or future product candidates;
- our ability to obtain sufficient third-party coverage or reimbursement; or
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage.

If our current or future product candidates are approved but do not achieve an adequate level of acceptance by patients, physicians and payors, we may not generate sufficient revenue from our current or future product candidates to become or remain profitable. Before granting reimbursement approval, healthcare payors may require us to demonstrate that our current or future product candidates, in addition to treating these target indications, also provide incremental health benefits to patients. Our efforts to educate the medical community, patient organizations and third-party payors about the benefits of our current or future product candidates may require significant resources and may never be successful.

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

The development and commercialization of new drugs is highly competitive. We face and will continue to face competition from third parties that use protein degradation, antibody therapy, inhibitory nucleic acid, gene

editing or gene therapy development platforms and from companies focused on more traditional therapeutic modalities, such as small molecule inhibitors. 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 of new drugs.

Competitors in our efforts to develop small molecule protein degraders therapies for patients, include, but are not limited to, Arvinas, Inc., which is in clinical development, and Nurix Therapeutics, Inc., C4 Therapeutics Inc., and Vividion Therapeutics, Inc., each of which is in preclinical development. Further, several large pharmaceutical companies have disclosed preclinical investments in this field. Our competitors will also include companies that are or will be developing other targeted protein degradation methods as well as small molecule, antibody, or gene therapies for the same indications that we are targeting. In addition to the competitors we face in developing small molecule protein degraders, we will also face competition in the indications we expect to pursue with our IRAK4, IRAK1MiD and STAT3 programs. Many of these indications already have approved standards of care which may include more traditional therapeutic modalities. In order to compete effectively with these existing therapies, we will need to demonstrate that our protein degrader therapies are favorable to existing therapeutics.

Many of our current or future competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and reimbursement and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific, sales, marketing 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.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any drugs that we or our collaborators may develop. Our competitors also may obtain FDA or other regulatory approval for their drugs more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we or our collaborators are able to enter the market. The key competitive factors affecting the success of all of our current or future product candidates, if approved, are likely to be their efficacy, safety, convenience, price, the level of generic competition and the availability of reimbursement from government and other third-party payors.

Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any current or future product candidates that we may develop.

We will face an inherent risk of product liability exposure related to the testing of our current or future product candidates in human clinical trials and will face an even greater risk if we commercially sell any current or future product candidates that we may develop. If we cannot successfully defend ourselves against claims that our current or future product candidates caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any current or future product candidates that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;

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- loss of revenue; and
- the inability to commercialize any current or future product candidates that we may develop.

We do not yet maintain product liability insurance, and we anticipate that we will need to increase our insurance coverage when we begin clinical trials and if we successfully commercialize any product candidate. Insurance coverage is increasingly expensive. We may not be able to maintain product liability insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

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

Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. In the U.S. and in other countries, sales of any products for which we may receive regulatory marketing approval for commercial sale will depend, in part, on the availability of coverage and reimbursement from third-party payors. Third-party payors include government healthcare programs (e.g., Medicare and Medicaid), managed care providers, private health insurers, health maintenance organizations and other organizations. These third-party payors decide which medications they will pay for and establish reimbursement levels. The availability of coverage and extent of reimbursement by governmental and other third-party payors is essential for most patients to be able to afford treatments such as targeted protein degradation therapies.

In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services, or HHS. CMS decides whether and to what extent our products will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. Factors payors consider in determining reimbursement are based on whether the product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Our ability to commercialize any current or future product candidates successfully also will depend in part on the extent to which coverage and reimbursement for these current or future product candidates and related treatments will be available from government authorities, private health insurers and other organizations. Moreover, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. We cannot be sure that coverage will be available for any product candidate that we commercialize. If coverage is available, but reimbursement is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval.

In the U.S., no uniform policy exists for coverage and reimbursement for products among third-party payors. Therefore, decisions regarding the extent of coverage and amount of reimbursement to be provided can differ significantly from payor to payor. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the reimbursement rate a payor will pay for the product. One third-party payor's decision to cover a particular product or service does not ensure that other payors will also provide coverage for the medical product or service. Third-party payors may limit coverage to specific products on an approved list or formulary, which may not include all FDA-approved products for a particular indication. Also, third-party payors may refuse to include a particular branded product on their formularies or otherwise restrict patient access to a branded drug when a less costly generic equivalent or other alternative is available.

Further, third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. In order to secure coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain FDA or comparable regulatory approvals. Additionally, we may also need to provide discounts to purchasers, private health plans or government healthcare programs. Despite our best efforts, our product candidates may not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover an approved product as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products at a profit. 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, our operations and financial condition.

Finally, in some foreign countries, the proposed pricing for a product candidate must be approved before it may be lawfully marketed. The requirements governing product pricing vary widely from country to country. For example, in the EU pricing and reimbursement of pharmaceutical products are regulated at a national level under the individual EU Member States' social security systems. Some foreign countries provide options to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and can control the prices of medicinal products for human use. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. A country may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Even if approved for reimbursement, historically, product candidates launched in some foreign countries, such as some countries in the EU, do not follow price structures of the U.S. and prices generally tend to be significantly lower.

Current and future healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

Changes in regulations, statutes or the interpretation of existing regulations could impact our business by requiring, for example: (i) changes to our manufacturing arrangements, (ii) additions or modifications to product labeling, (iii) the recall or discontinuation of our products or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

In the United States and in some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes intended to broaden access to healthcare, improve the quality of healthcare, and contain or lower the cost of healthcare. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or the ACA, was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, subjects biological products to potential competition by lower-cost biosimilars, expands the types of entities eligible for the 340B drug discount program, addresses 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, increases rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, establishes annual fees and taxes on manufacturers of certain branded prescription drugs, and creates a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, or BBA, effective as of January 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

Since its enactment, there have been judicial, administrative, executive and Congressional legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. For example, various portions of the ACA are currently undergoing constitutional challenges in the U.S. Supreme Court, the Trump Administration has issued various Executive Orders eliminating cost sharing subsidies and various provisions that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices, and Congress has introduced several pieces of legislation aimed at significantly revising or repealing the ACA. It is unclear whether the ACA will be overturned, repealed, replaced, or further amended. We cannot predict what affect further changes to the ACA would have on our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, in August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. Specifically, the 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 of up to 2% per fiscal year, which went into effect in April 2013, and, due to subsequent legislative amendments, will remain in effect through 2030 unless additional Congressional action is taken. However, pursuant to the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, the 2% Medicare sequester reductions will be suspended from May 1, 2020 through December 31, 2020 due to the COVID-19 pandemic. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several 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. The BBA also amended the ACA, effective January 1, 2019, by increasing the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D and closing the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole."

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. Recently, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. Such scrutiny has resulted in several recent U.S. Congressional inquiries and has further resulted in proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. For example, at the federal level, the Trump administration's budget for fiscal year 2021 includes a \$135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. On March 10, 2020, the Trump administration sent "principles" for drug pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Additionally, the Trump Administration previously released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of product candidates paid by consumers. HHS has solicited feedback on some of these measures and, at the same time, is immediately implementing others under its existing authority. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization, for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019.

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.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our current or future product candidates or additional pricing pressures. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

If, in the future, we are unable to establish sales and marketing and patient support capabilities or enter into agreements with third parties to sell and market our current or future product candidates, we may not be successful in commercializing our current or future product candidates if and when they are approved, and we may not be able to generate any revenue.

We do not currently have a sales or marketing infrastructure and have no experience in the sales, marketing, patient support or distribution of drugs. To achieve commercial success for any approved product candidate for which we retain sales and marketing responsibilities, we must build our sales, marketing, patient support, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. In the future, we may choose to build a focused sales and marketing infrastructure to sell, or participate in sales activities with our collaborators for, some of our current or future product candidates if and when they are approved.

There are risks involved with both establishing our own sales and marketing and patient support capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time consuming and could delay any drug 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. This 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 current or future product candidates on our own include:

- our inability to recruit 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 drugs;
- the lack of complementary drugs 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 enter into arrangements with third parties to perform sales, marketing, patient support and distribution services, our drug revenues or the profitability of these drug revenues to us are likely to be lower than if we were to market and sell any current or future product candidates that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our current or future product

candidates or may be unable to do so on terms that are favorable 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 current or future product candidates effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our current or future product candidates. Further, our business, results of operations, financial condition and prospects will be materially adversely affected.

Our relationships with customers, health care providers, physicians, and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm and diminished future profits and earnings.

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any current or future product candidates for which we obtain marketing approval. Our business operations and any current or future arrangements with third-party payors and customers may expose us to broadly applicable federal and state laws relating to fraud and abuse, as well as other healthcare laws and regulations. These laws may impact, among other things, the business or financial arrangements and relationships through which we market, sell and distribute any current or future product candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include, among others:

- the federal Anti-Kickback Statute, which prohibits, among other things, any person or entity from knowingly and willfully soliciting, offering, receiving, providing or paying remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, or arranging for, any item, good, facility, or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations can result in significant civil monetary and criminal penalties for each violation, plus up to three times the amount of remuneration, imprisonment, and exclusion from government healthcare programs. Further, a violation of the federal Anti-Kickback Statute can also form the basis for False Claims Act liability;
- the federal civil and criminal false claims laws and civil monetary penalty laws, including the federal False Claims Act, which prohibits individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. Actions under the False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual in the name of the government. Violations of the False Claims Act can result in very significant monetary penalties for each false claim and three times the amount of the government's damages. Manufacturers can be held liable under the False Claims Act even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. In addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes additional criminal and civil liability for knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private); and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement

in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the federal physician payment transparency laws, including the federal Physician Payment Sunshine Act created under the ACA, which requires manufacturers of certain drugs, devices, biologics and medical supplies, among others, to track and disclose payments under Medicare, Medicaid, or the Children's Health Insurance Program (with certain exceptions) and other transfers of value they make to U.S. physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made to certain non-physician providers such as physician assistants and nurse practitioners. This information is subsequently made publicly available in a searchable format on a CMS website. Failure to disclose required information may result in civil monetary penalties for all payments, transfers of value or ownership or investment interests that are not timely, accurately and completely reported in an annual submission;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and its implementing regulations, including the final omnibus rule published on January 25, 2013, which imposes, among other things, certain requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's privacy and security standards directly applicable to "business associates," defined as independent contractors or agents of covered entities that create, receive, maintain, transmit, or obtain, protected health information in connection with providing a service for or on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney's fees and costs associated with pursuing federal civil actions; and
- analogous state law equivalents of each of the above U.S. federal laws, such as state anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers or patients; state and local marketing and/or transparency laws applicable to manufacturers that may be broader in scope than the federal requirements; state laws that require the reporting of information related to drug pricing; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information; state and local laws that require the licensure and/or registration of pharmaceutical sales representatives; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

It is possible that governmental authorities will conclude that our business practices do 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 to be 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, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or similar settlement to resolve allegations of non-compliance with these laws, any of which could adversely affect our ability to operate our business and our financial results. 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 similar actions, penalties, and sanctions.

The provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is also prohibited in the EU. The provision of benefits or advantages to physicians is governed by the national anti-bribery laws of EU Member States, such as the U.K. Bribery Act 2010. Infringement of these laws could result in substantial fines and imprisonment. Payments made to physicians in certain EU Member States must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual EU Member States. These requirements are provided in the national laws, industry codes or professional codes of conduct, applicable in the EU Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment

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

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

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials. In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. Current or future environmental laws and regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations.

Risks Related to Our Dependence on Third Parties

We rely on third parties to conduct pre-clinical studies, and we expect to rely on third parties to conduct our clinical trials for our current and future product candidates. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize our current and potential future product candidates and our business could be substantially harmed.

We utilize and depend upon independent investigators and collaborators, such as medical institutions, CROs, contract manufacturing organizations and strategic partners to help conduct our preclinical studies. We do not have the ability to independently conduct clinical trials. We expect to rely on medical institutions, clinical investigators, contract laboratories, and other third parties, including collaboration partners, to conduct or otherwise support clinical trials for our current or future product candidates. We expect to rely heavily on these parties for execution of clinical trials for our product candidates and control only certain aspects of their activities. Nevertheless, we will be responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our

reliance on CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our preclinical studies or clinical trials, we could be subject to untitled and warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

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

Although we intend to design the clinical trials for our current or future product candidates, or be involved in the design when other parties sponsor the trials, we anticipate that third parties will conduct all of our clinical trials. As a result, many important aspects of our clinical development, including their conduct, timing and response to the ongoing COVID-19 pandemic, will be outside of our direct control. Our reliance on third parties to conduct future clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues; and
- form relationships with other entities, some of which may be our competitors.

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

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. If our CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain are compromised due to the failure to adhere to our clinical

protocols, regulatory requirements or for other reasons, any clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain marketing approval for or successfully commercialize our current or future product candidates. As a result, we believe that our financial results and the commercial prospects for our current or future product candidates in the subject indication would be harmed, our costs could increase and our ability to generate revenue could be delayed.

The third parties upon whom we rely for the supply of the API, drug product, and starting materials used in our product candidates are limited in number, and the loss of any of these suppliers could significantly harm our business.

The drug substance and drug product in our product candidates are supplied to us from a small number of suppliers, and in some cases sole source suppliers. Our ability to successfully develop our current or future product candidates, and to ultimately supply our commercial drugs in quantities sufficient to meet the market demand, depends in part on our ability to obtain the drug product and drug substance for these drugs in accordance with regulatory requirements and in sufficient quantities for commercialization and clinical testing. We do not currently have arrangements in place for a redundant or second-source supply of all drug product or drug substance in the event any of our current suppliers of such drug product and drug substance cease their operations for any reason. Any delays in the delivery of our drug substance, drug product or starting materials could have an adverse effect and potentially harm our business. For example, in February 2020, one of our vendors for API starting materials based in Wuhan, China ceased its operations for several weeks due to the COVID-19 pandemic, which caused a minor delay in the delivery of API starting materials to a separate vendor who manufactures API.

For all of our current or future product candidates, we intend to identify and qualify additional manufacturers to provide such API, drug product and drug substance prior to submission of an NDA to the FDA and/or an MAA to the EMA. We are not certain, however, that our single-source and dual source suppliers will be able to meet our demand for their products, either because of the nature of our agreements with those suppliers, our limited experience with those suppliers or our relative importance as a customer to those suppliers. It may be difficult for us to assess their ability to timely meet our demand in the future based on past performance. While our suppliers have generally met our demand for their products on a timely basis in the past, they may subordinate our needs in the future to their other customers.

Establishing additional or replacement suppliers for the drug product and drug substance used in our current or future product candidates, if required, may not be accomplished quickly. If we are able to find a replacement supplier, such replacement supplier would need to be qualified and may require additional regulatory approval, which could result in further delay. While we seek to maintain adequate inventory of the drug product and drug substance used in our current or future product candidates, any interruption or delay in the supply of components or materials, or our inability to obtain such API, drug product and drug substance from alternate sources at acceptable prices in a timely manner, could impede, delay, limit or prevent our development efforts, which could harm our business, results of operations, financial condition and prospects.

Our success is dependent on our executive management team's ability to successfully pursue business development, strategic partnerships and investment opportunities as our company matures. We may also form or seek strategic alliances or acquisitions or enter into additional collaboration and licensing arrangements in the future, and we may not realize the benefits of such collaborations, alliances, acquisitions or licensing arrangements.

We have entered into a collaboration and licensing arrangement with Vertex, and may in the future form or seek strategic alliances or acquisitions, create joint ventures, or enter into additional collaboration and licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our current product candidates and any future product candidates that we may develop. Any of these relationships may require us to incur non-recurring and other charges, increase our

near and long-term expenditures, issue securities that dilute our existing stockholders or disrupt our management and business.

In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or acquisition or other alternative arrangements for our current or future product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our current or future product candidates as having the requisite potential to demonstrate safety, potency, purity and efficacy and obtain marketing approval.

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

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- collaborators may not pursue development and commercialization of our current or future product candidates or may elect not to continue or renew development or commercialization of our current or future product candidates based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our current or future product candidates;
- a collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our current or future product candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable current or future product candidates. For example, the collaboration agreement with Vertex may be terminated by Vertex either in its entirety or on a target-by-target basis, upon one hundred eighty days' prior written notice to us, upon our material breach, subject to specified notice and cure provisions, or upon our bankruptcy, insolvency, dissolution or winding up;
- collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property; and
- collaborators may not pay milestones and royalties due to the company in a timely manner.

As a result, we may not be able to realize the benefit of our existing collaboration and licensing arrangements or any future strategic partnerships or acquisitions, collaborations or license arrangements we may enter into if we are unable to successfully integrate them with our existing operations and company culture,

which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction, license, collaboration or other business development partnership, we will achieve the revenue or specific net income that justifies such transaction. Any delays in entering into new collaborations or strategic partnership agreements related to our current or future product candidates could delay the development and commercialization of our current or future product candidates in certain geographies or for certain indications, which would harm our business prospects, financial condition and results of operations.

Our manufacturing process needs to comply with FDA regulations relating to the quality and reliability of such processes. Any failure to comply with relevant regulations could result in delays in or termination of our preclinical and future clinical programs and suspension or withdrawal of any regulatory approvals.

In order to commercially produce our products either at our own facility or at a third party's facility, we will need to comply with the FDA's cGMP regulations and guidelines. We may encounter difficulties in achieving quality control and quality assurance and may experience shortages in qualified personnel. We are subject to inspections by the FDA and comparable foreign regulatory authorities to confirm compliance with applicable regulatory requirements. Any failure to follow cGMP or other regulatory requirements or delay, interruption or other issues that arise in the manufacture, fill-finish, packaging, or storage of our product candidates as a result of a failure of our facilities or the facilities or operations of third parties to comply with regulatory requirements or pass any regulatory authority inspection could significantly impair our ability to develop and commercialize our current or future product candidates, including leading to significant delays in the availability of our product candidates for our future clinical trials or the termination of or suspension of a future clinical trial, or the delay or prevention of a filing or approval of marketing applications for our current or future product candidates. Significant non-compliance could also result in the imposition of sanctions, including warning or untitled letters, fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approvals for our current or future product candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could damage our reputation and our business.

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

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

Risks Related to Intellectual Property

If we are unable to obtain and maintain patent and other intellectual property protection for our technology and product candidates or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs may be impaired, and we may not be able to compete effectively in our market.

Our commercial success depends in part on our ability to obtain and maintain patent or other intellectual property protection in the U.S. and other countries for our current or future product candidates and our core technologies, including our proprietary Pegasus platform, our initial IRAK4, IRAKIMiD, and STAT3 programs, which are our three most advanced development programs, as well as our proprietary compound library and other know-how. We seek to protect our proprietary and intellectual property position by, among other methods, filing patent applications in the U.S. and abroad related to our proprietary technology, inventions and improvements that are important to the development and implementation of our business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position.

We own patent applications related to our platform E3 ligase ligand technology and our novel bifunctional degrader compounds, including claims to compositions of matter, pharmaceutical compositions, methods of use, methods of treatment, and other related methods.

As of May 31, 2020, our patent portfolio covering novel compounds discovered by our Pegasus platform included 37 patent families. Patent term adjustments, supplementary protection certificate filings, or patent term extensions could result in later expiration dates in various countries, while terminal disclaimers could result in earlier expiration dates in the U.S.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation.

The degree of patent protection we require to successfully commercialize our current or future product candidates may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our pending patent applications that mature into issued patents will include claims with a scope sufficient to protect our Pegasus platform and our current or future product candidates. In addition, if the breadth or strength of protection provided by our patent applications or any patents we may own or in-license is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the U.S. For example, in jurisdictions outside the U.S., a license may not be enforceable unless all the owners of the intellectual property agree or consent to the license. Accordingly, any actual or purported co-owner of our patent rights could seek monetary or equitable relief requiring us to pay it compensation for, or refrain from, exploiting these patents due to such co-ownership. Furthermore, patents have a limited lifespan. In the U.S., and most other jurisdictions in which we have undertaken patent filings, the natural expiration of a patent is generally twenty years after it is filed, assuming all maintenance fees are paid. Various extensions may be available, on a jurisdiction-by-jurisdiction basis; however, the life of a patent, and thus the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, patents we may own or in-license may not provide us with adequate and continuing patent protection sufficient to exclude others from commercializing drugs similar or identical to our current or future product candidates, including generic versions of such drugs.

Other parties have developed technologies that may be related or competitive to our own, and such parties may have filed or may file patent applications, or may have received or may receive patents, claiming inventions

that may overlap or conflict with those claimed in our own patent applications or issued patents, with respect to either the same compounds, methods, formulations or other subject matter, in either case that we may rely upon to dominate our patent position in the market. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until at least 18 months after the earliest priority date of the patent filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in patents we may own or in-license patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights cannot be predicted with any certainty.

In addition, the patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Further, with respect to certain pending patent applications covering our current or future product candidates or technologies, prosecution has yet to commence. Patent prosecution is a lengthy process, during which the scope of the claims initially submitted for examination by the relevant patent office(s) may be significantly narrowed by the time they issue, if they ever do. 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 may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from or to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

Even if we acquire patent protection that we expect should enable us to establish and/or maintain a competitive advantage, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the U.S. and abroad. We may become involved in opposition, derivation, reexamination, *inter partes* review, or post-grant review proceedings challenging our patent rights or the patent rights of others from whom we may in the future obtain licenses to such rights, in the U.S. Patent and Trademark Office, or USPTO, the European Patent Office, or EPO, or in other countries. In addition, we may be subject to third-party submissions to the USPTO, the EPO, or elsewhere, that may reduce the scope or preclude the granting of claims from our pending patent applications. Competitors may challenge our issued patents or may file patent applications before we do. Competitors may also claim that we are infringing their patents and that we therefore cannot practice our technology as claimed under our patents or patent applications. Competitors may also contest our patents by showing an administrative patent authority or judge that the invention was not patent-eligible, was not novel, was obvious, and/or lacked inventive step, and/or that the patent application failed to meet relevant requirements relating to description, basis, enablement, and/or support; in litigation, a competitor could assert that our patents are not valid or are unenforceable for a number of reasons. If a court or administrative patent authority agrees, we would lose our protection of those challenged patents.

An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate 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 drugs, without payment to us, or could limit the duration of the patent protection covering our technology and current or future product candidates. Such challenges may also result in our inability to manufacture or commercialize our current or future product candidates without infringing third-party patent rights. In addition, 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.

In addition, we may in the future be subject to claims by our former employees or consultants asserting an ownership right in our patents or patent applications, as a result of the work they performed on our behalf. Although we generally require all of our employees, consultants and advisors and any other third parties who

have access to our proprietary know-how, information or technology to assign or grant similar rights to their inventions to us, we cannot be certain that we have executed such agreements with all parties who may have contributed to our intellectual property, nor can we be certain that our agreements with such parties will be upheld in the face of a potential challenge, or that they will not be breached, for which we may not have an adequate remedy.

Even if they are unchallenged, our issued patents and our pending patent applications, if issued, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent patents we may own or in-license by developing similar or alternative technologies or drugs in a non-infringing manner. For example, a third party may develop a competitive drug that provides benefits similar to one or more of our current or future product candidates but that has a different composition that falls outside the scope of our patent protection. If the patent protection provided by the patents and patent applications we hold or pursue with respect to our current or future product candidates is not sufficiently broad to impede such competition, our ability to successfully commercialize our current or future product candidates could be negatively affected, which would harm our business.

Furthermore, even if we are able to issue patents with claims of valuable scope in one or more jurisdictions, we may not be able to secure such claims in all relevant jurisdictions, or in a sufficient number to meaningfully reduce competition. Our competitors may be able to develop and commercialize their products, including products identical to ours, in any jurisdiction in which we are unable to obtain, maintain, or enforce such patent claims.

Obtaining and maintaining our patent protection, including patent term, depends on compliance with various procedural, document submission, deadlines, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated if we miss a filing deadline for patent protection on these inventions or otherwise fail to comply with these requirements.

The USPTO and foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and after issuance of any patent. In addition, periodic maintenance fees, renewal fees, annuity fees and/or various other government fees are required to be paid periodically. While an inadvertent lapse can in some cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent include, but are not limited to, 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, our competitors might be able to enter the market with similar or identical products or platforms, which could have a material adverse effect on our business prospects and financial condition.

Depending upon the timing, duration and specifics of FDA marketing approval of our current or future product candidates, one or more of the U.S. patents we own or license may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. Different laws govern the extension of patents on approved pharmaceutical products in Europe and other jurisdictions. However, we may not be granted a patent 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 relevant patents or otherwise failing to satisfy applicable requirements. For example, we may not be granted an extension in the U.S. if all of our patents covering an approved product expire more than fourteen years from the date of NDA approval for a product covered by those patents. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable

to obtain patent term extension or restoration or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our ability to generate revenues could be materially adversely affected.

If our trademarks and trade names for our products or company name are not adequately protected in one or more countries where we intend to market our products, we may delay the launch of product brand names, use different trademarks or tradenames in different countries, or face other potentially adverse consequences to building our product brand recognition.

Our trademarks or trade names may be challenged, infringed, diluted, circumvented or declared generic or determined to be infringing on other marks. We intend to rely on both registration and common law protection for our trademarks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During the trademark registration process, we may receive Office Actions from the USPTO or from comparable agencies in foreign jurisdictions objecting to the registration of our trademark. For example, in November 2019, an affiliate of Novartis AG filed actions in the U.S. and European Union trademark offices opposing our applications to register KYMERA and KYMERA THERAPEUTICS for pharmaceuticals and drug development services on the basis of its rights in the KYMRIA mark. Although we will be given an opportunity to respond to those objections, we may be unable to overcome them. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and/or to seek the cancellation of registered trademarks. Opposition or cancellation proceedings may be filed against our trademark applications or registrations, and our trademark applications or registrations may not survive such proceedings. If we are unable to obtain a registered trademark or establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

If we are unable to adequately protect and enforce our trade secrets, our business and competitive position would be harmed.

In addition to the protection afforded by patents we may own or in-license, we seek to rely on trade secret protection, confidentiality agreements, and license agreements to protect proprietary know-how that may not be patentable, processes for which patents are difficult to enforce and any other elements of our product discovery and development processes that involve proprietary know-how, information, or technology that may not be covered by patents. Although we require all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information, or technology to enter into confidentiality agreements, trade secrets can be difficult to protect and we have limited control over the protection of trade secrets used by our collaborators and suppliers. We cannot be certain that we have or will obtain these agreements in all circumstances and we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary information.

Moreover, any of these parties might breach the agreements and intentionally or inadvertently disclose our trade secret information and we may not be able to obtain adequate remedies for such breaches. In addition, competitors may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. If we choose to go to court to stop a third party from using any of our trade secrets, we may incur substantial costs. These lawsuits may consume our time and other resources even if we are successful. Furthermore, the laws of some foreign countries do not protect proprietary rights and trade secrets to the same extent or in the same manner as the laws of the U.S. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the U.S. and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, financial condition, results of operations and future prospects.

In the case of employees, we enter into agreements providing that all inventions conceived by the individual, and which are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. Although we require all of our employees to assign their inventions to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We may initiate, become a defendant in, or otherwise become party to lawsuits to protect or enforce our intellectual property rights, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe any patents we may own or in-license. In addition, any patents we may own or in-license also may become involved in inventorship, priority, validity or unenforceability disputes. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, in an infringement proceeding, a court may decide that one or more of any patents we may own or in-license is not valid or is unenforceable or that the other party's use of our technology that may be patented falls under the safe harbor to patent infringement under 35 U.S.C. §271(e)(1). There is also the risk that, even if the validity of these patents is upheld, the court may refuse to stop the other party from using the technology at issue on the grounds that any patents we may own or in-license do not cover the technology in question or that such third party's activities do not infringe our patent applications or any patents we may own or in-license. An adverse result in any litigation or defense proceedings could put one or more of any patents we may own or in-license at risk of being invalidated, held unenforceable, or interpreted narrowly and could put our patent applications at risk of not issuing. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing, patient support 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 more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

Post-grant proceedings provoked by third parties or brought by the USPTO may be necessary to determine the validity or priority of inventions with respect to our patent applications or any patents we may own or in-license. These proceedings are expensive and an unfavorable outcome could result in a loss of our current patent rights and could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. In addition to potential USPTO post-grant proceedings, we may become a party to patent opposition proceedings in the EPO, or similar proceedings in other foreign patent offices or courts where our patents may be challenged. The costs of these proceedings could be substantial, and may result in a loss of scope of some claims or a loss of the entire patent. An unfavorable result in a post-grant challenge proceeding may result in the loss of our right to exclude others from practicing one or more of our inventions in the relevant country or jurisdiction, which could have a material adverse effect on our business. Litigation or post-grant proceedings within patent offices may result in a decision adverse to our interests and, even if we are successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the U.S.

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

during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

We may not be able to detect infringement against any patents we may own or in-license. Even if we detect infringement by a third party of any patents we may own or in-license, we may choose not to pursue litigation against or settlement with the third party. If we later sue such third party for patent infringement, the third party may have certain legal defenses available to it, which otherwise would not be available except for the delay between when the infringement was first detected and when the suit was brought. Such legal defenses may make it impossible for us to enforce any patents we may own or in-license against such third party.

Intellectual property litigation and administrative patent office patent validity challenges in one or more countries 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, patient support or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. As noted above, some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our preclinical studies and future clinical trials, continue our research programs, license necessary technology from third parties, or enter into development collaborations that would help us commercialize our current or future product candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

We may be subject to damages or settlement costs resulting from claims that we or our employees have violated the intellectual property rights of third parties, or are in breach of our agreements. We may be accused of, allege or otherwise become party to lawsuits or disputes alleging wrongful disclosure of third-party confidential information by us or by another party, including current or former employees, contractors or consultants. In addition to diverting attention and resources, such disputes could adversely impact our business reputation and/or protection of our proprietary technology.

The intellectual property landscape relevant to our products and programs is crowded, and 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 to develop, manufacture, market and sell our current and future product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including derivation, interference, reexamination, *inter partes* review and post grant review proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. We or any of our current or future licensors or strategic partners may be party to, exposed to, or threatened with, future adversarial proceedings or litigation by third parties having patent or other intellectual property rights alleging that our current or future product candidates and/or proprietary technologies infringe, misappropriate or otherwise violate their intellectual property rights. We cannot assure you that our current or future product candidates, the Pegasus platform, and other technologies that we have developed, are developing or may develop in the future do not or will not infringe, misappropriate or otherwise violate existing or future patents or other intellectual property rights owned

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

While certain activities related to development and preclinical and clinical testing of our current or future product candidates may be subject to safe harbor of patent infringement under 35 U.S.C. §271(e)(1), upon receiving FDA approval for such candidates we or any of our future licensors or strategic partners may immediately become party to, exposed to, or threatened with, future adversarial proceedings or litigation by third parties having patent or other intellectual property rights alleging that such product candidates infringe, misappropriate or otherwise violate their intellectual property rights. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing our current or future product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our current or future product candidates may give rise to claims of infringement of the patent rights of others. Moreover, it is not always clear to industry participants, including us, which patents cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our fields, there may be a risk that third parties may allege they have patent rights encompassing our current or future product candidates, technologies or methods.

If a third party claims that we infringe, misappropriate or otherwise violate its intellectual property rights, we may face a number of issues, including, but not limited to:

- infringement, misappropriation and other intellectual property claims which, regardless of merit, may be expensive and time-consuming to litigate and may divert our management's attention from our core business and may impact our reputation;
- substantial damages for infringement, misappropriation or other violations, which we may have to pay if a court decides that the product candidate or technology at issue infringes, misappropriates or violates the third party's rights, and, if the court finds that the infringement was willful, we could be ordered to pay treble damages and the patent owner's attorneys' fees;
- a court prohibiting us from developing, manufacturing, marketing or selling our current or future product candidates, or from using our proprietary technologies, including our Pegasus platform, unless the third-party licenses its product rights to us, which it is not required to do on commercially reasonable terms or at all;
- if a license is available from a third party, we may have to pay substantial royalties, upfront fees and other amounts, and/or grant cross-licenses to intellectual property rights for our products, or the license to us may be non-exclusive, which would permit third parties to use the same intellectual property to compete with us;
- redesigning our current or future product candidates or processes so they do not infringe, misappropriate or violate third-party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time; and
- 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.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or prospects.

Third parties may assert that we are employing their proprietary technology without authorization. Patents issued in the U.S. by law enjoy a presumption of validity that can be rebutted in U.S. courts only with evidence that is "clear and convincing," a heightened standard of proof. There may be issued third-party patents of which we are currently unaware with claims to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our current or future product candidates. Patent applications can take many years to issue. In addition, because some patent applications in the U.S. may be maintained in secrecy until the patents are issued, patent applications in the U.S. and many foreign jurisdictions are typically not published until 18 months after their earliest priority filing date, and publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications covering our current or future product candidates or technology. If any such patent applications issue as patents, and if such patents have priority over our patent applications or patents we may own or in-license, we may be required to obtain rights to such patents owned by third parties which may not be available on commercially reasonable terms or at all, or may only be available on a non-exclusive basis. There may be currently pending third-party patent applications which may later result in issued patents that our current or future product candidates may infringe. It is also possible that patents owned by third parties of which we are aware, but which we do not believe are relevant to our current or future product candidates or other technologies, could be found to be infringed by our current or future product candidates or other technologies. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Moreover, we may fail to identify relevant patents or incorrectly conclude that a patent is invalid, not enforceable, exhausted, or not infringed by our activities. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of our current or future product candidates, molecules used in or formed during the manufacturing process, or any final product itself, the holders of any such patents may be able to block our ability to commercialize the product candidate unless we obtained a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the product candidate unless we obtained a license or until such patent expires or is finally determined to be held invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, or at all, our ability to commercialize our current or future product candidates or Pegasus platform may be impaired or delayed, which could in turn significantly harm our business. Even if we obtain a license, it may be nonexclusive, thereby giving our competitors access to the same technologies licensed to us.

Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our current or future product candidates. Defense of these claims, regardless of their merit, could involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement, misappropriation or other violation against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Furthermore, even in the absence of litigation, we may need or may choose to obtain licenses from third parties to advance our research or allow commercialization of our current or future product candidates. We may fail to obtain any of these licenses at a reasonable cost or on reasonable

terms, if at all. In that event, we would be unable to further develop and commercialize our current or future product candidates or technologies, which could harm our business significantly.

We will not obtain patent or other intellectual property protection for and current or future product candidates in all jurisdictions throughout the world, and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

We may not be able to pursue patent coverage of our current or future product candidates, the Pegasus platform, or other technologies in all countries. Filing, prosecuting and defending patents on current or future product candidates, the Pegasus platform, and other technologies in all countries throughout the world would be prohibitively expensive, and intellectual property rights in some countries outside the U.S. can be less extensive than those in the U.S. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the U.S. Consequently, we may not be able to prevent third parties from infringing on our inventions in all countries outside the U.S., or from selling or importing products made using our inventions in and into the U.S. 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, but where enforcement is not as strong as that in the U.S. These products may compete with our current or future product candidates and in jurisdictions where we do not have any issued patents our patent applications or other intellectual property rights may not be effective or sufficient to prevent them from competing. Much of our patent portfolio is at the very early stage. We will need to decide whether and in which jurisdictions to pursue protection for the various inventions in our portfolio prior to applicable deadlines.

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 pharmaceutical products, which could make it difficult for us to stop the infringement of any patents we may own or in-license or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce any rights we may have in our patent applications or any patents we may own or in-license in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put any patents we may own or in-license at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

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 are forced to grant a license to third parties with respect to any patents we may own or license that are 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 not obtain or grant licenses or sublicenses to intellectual property rights in all markets on equally or sufficiently favorable terms with third parties.

It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our products, in which case we would be required to obtain a license from these third parties. The licensing of third-party intellectual property rights is a competitive area, and more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. More established companies may have a competitive advantage over us due to their size, capital

resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to license such technology, or if we are forced to license such technology on unfavorable terms, our business could be materially harmed. If we are unable to obtain a necessary license, we may be unable to develop or commercialize the affected current or future product candidates, which could materially harm our business, and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties or other forms of compensation. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

If we fail to comply with our obligations in our current or any future agreements under which we may license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

We are dependent on patents, know-how and proprietary technology, both our own and in-licensed from Vertex and other collaborators. Our commercial success depends upon our ability to develop, manufacture, market and sell our current or future product candidates and use our and our licensors' proprietary technologies without infringing the proprietary rights of third parties. Vertex and other collaborators may have the right to terminate their respective license agreements in full in the event that we materially breach or default in the performance of any of the obligations under such license agreements.

Any termination of these licenses, or if the underlying patents fail to provide the intended exclusivity, could result in the loss of significant rights and could harm our ability to commercialize our current or future product candidates, the Pegasus platform, or other technologies, competitors or other third parties would have the freedom to seek regulatory approval of, and to market, products identical to ours, and we may be required to cease our development and commercialization of certain of our current or future product candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Disputes may also arise between us and our current or future licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe, misappropriate or otherwise violate intellectual property rights of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties under collaborative development relationships;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our current or future product candidates, and what activities satisfy those diligence obligations;
- the priority of invention of any patented technology; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our current or future licensors and us and our partners.

In addition, the agreements under which we may license intellectual property or technology from third parties are likely to be 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 may license prevent or impair our ability to maintain current or future licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected current or future product candidates or technologies, which could have a material adverse effect on our business, financial conditions, results of operations and prospects.

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

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Recent patent reform legislation in the U.S. and other countries, including the Leahy-Smith America Invents Act, or Leahy-Smith Act, signed into law on September 16, 2011, could increase those uncertainties and costs. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. In addition, the Leahy-Smith Act has transformed the U.S. patent system into a “first inventor to file” system. The first-inventor-to-file provisions, however, only became effective on March 16, 2013. Accordingly, it is not yet clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could make it more difficult to obtain patent protection for our inventions and 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 harm our business, results of operations and financial condition.

The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Additionally, there have been recent proposals for additional changes to the patent laws of the U.S. and other countries that, if adopted, could impact our ability to obtain patent protection for our proprietary technology or our ability to enforce our proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

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

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

incorrect, which may negatively impact our ability to market our current or future product candidates. We may incorrectly determine that our current or future product candidates are not covered by a third-party patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the U.S. or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our current or future product candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our current or future product candidates.

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

Intellectual property rights do not guarantee commercial success of current or future product candidates or other business activities. Numerous factors may limit any potential competitive advantage provided by our intellectual property rights.

The degree of future protection afforded by our intellectual property rights, whether owned or in-licensed, is uncertain because intellectual property rights have limitations, and may not adequately protect our business, provide a barrier to entry against our competitors or potential competitors, or permit us to maintain our competitive advantage. Moreover, if a third party has intellectual property rights that cover the practice of our technology, we may not be able to fully exercise or extract value from our intellectual property rights. The following examples are illustrative:

- patent applications that we own or may in-license may not lead to issued patents;
- patents, should they issue, that we may own or in-license, may not provide us with any competitive advantages, may be narrowed in scope, or may be challenged and held invalid or unenforceable;
- others may be able to develop and/or practice technology, including compounds that are similar to the chemical compositions of our current or future product candidates, that is similar to our technology or aspects of our technology but that is not covered by the claims of any patents we may own or in-license, should any patents issue;
- third parties may compete with us in jurisdictions where we do not pursue and obtain patent protection;
- we, or our future licensors or collaborators, might not have been the first to make the inventions covered by a patent application that we own or may in-license;
- we, or our future licensors or collaborators, might not have been the first to file patent applications covering a particular invention;
- others may independently develop similar or alternative technologies without infringing, misappropriating or otherwise violating our intellectual property rights;
- our competitors might conduct research and development activities in the U.S. and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as in countries where we do not have patent rights, and may then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not be able to obtain and/or maintain necessary licenses on reasonable terms or at all;

- third parties may assert an ownership interest in our intellectual property and, if successful, such disputes may preclude us from exercising exclusive rights, or any rights at all, over that intellectual property;
- 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 trade secrets or know-how;
- we may not be able to maintain the confidentiality of our trade secrets or other proprietary information;
- we may not develop or in-license additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business.

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

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

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

Any unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, medical epidemics, including any potential effects from the current global spread of COVID-19, power shortage, telecommunication failure or other natural or man-made accidents or incidents that result in us being unable to fully utilize our facilities, or the manufacturing facilities of our third-party contract manufacturers, may have a material and adverse effect on our ability to operate our business and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, delays in the development of our product candidates or interruption of our business operations. Natural disasters or pandemics such as the COVID-19 outbreak could further disrupt our operations, and have a material and adverse effect on our business, financial condition, results of operations and prospects. For example, we have instituted a temporary work from home policy for non-essential office personnel and it is possible that this could have a negative impact on the execution of our business plans and operations. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our research facilities or the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure our investors that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities or the manufacturing facilities of our third-party contract manufacturers are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed. Any business interruption may have a material and adverse effect on our business, financial condition, results of operations and prospects.

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 development expertise of Nello Mainolfi, Ph.D., our President and Chief Executive Officer, Jared Gollob, M.D., our Chief Medical Officer, and Bruce Jacobs, our Chief Financial Officer, 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 executives or other employees. 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.

Recruiting and retaining qualified scientific, clinical, manufacturing 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 drugs. 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. Failure to succeed in clinical trials may make it more challenging to recruit and retain qualified scientific personnel.

We will need to develop and expand our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

As of May 31, 2020, we had 54 full-time employees, and in connection with becoming a public company, we expect to increase our number of employees and the scope of our operations. To manage our anticipated development and expansion, 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. Our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The expansion of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of our current or future product candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our current or future product candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

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

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

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

Our internal computer systems, or those of our third-party CROs or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our current or future product candidates' development programs.

Despite the implementation of security measures, our internal computer systems and those of our third-party CROs and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such system failure, accident, 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 programs. For example, the loss of data from preclinical studies or future clinical trials for our current or future product candidates 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 results in a loss of or damage to our data or applications, other data or applications relating to our technology or current or future product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our current or future product candidates could be delayed.

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

We rely on information technology systems that we or our third-party providers operate to process, transmit and store electronic information in our day-to-day operations. In connection with our product discovery efforts, we may collect and use a variety of personal data, such as name, mailing address, email addresses, phone number and clinical trial information. A successful cyberattack could result in the theft or destruction of intellectual property, data or other misappropriation of assets, or otherwise compromise our confidential or proprietary information and disrupt our operations. Cyberattacks are increasing in their frequency, sophistication and intensity, and have become increasingly difficult to detect. Cyberattacks could include wrongful conduct by hostile foreign governments, industrial espionage, wire fraud and other forms of cyber fraud, the deployment of harmful malware, denial-of-service, social engineering fraud or other means to threaten data security, confidentiality, integrity and availability. A successful cyberattack could cause serious negative consequences for us, including, without limitation, the disruption of operations, the misappropriation of confidential business information, including financial information, trade secrets, financial loss and the disclosure of corporate strategic plans. Although we devote resources to protect our information systems, we realize that cyberattacks are a threat, and there can be no assurance that our efforts will prevent information security breaches that would result in business, legal, financial or reputational harm to us, or would have a material adverse effect on our results of operations and financial condition. Any failure to prevent or mitigate security breaches or improper access to, use of, or disclosure of our clinical data or patients' personal data could result in significant liability under state (*e.g.*, state breach notification laws), federal (*e.g.*, HIPAA, as amended by HITECH), and international law (*e.g.*, the EU General Data Protection Regulation, or GDPR) and may cause a material adverse impact to our reputation, affect our ability to use collected data, conduct new studies and potentially disrupt our business.

We rely on our third-party providers to implement effective security measures and identify and correct for any such failures, deficiencies or breaches. We also rely on our employees and consultants to safeguard their security credentials and follow our policies and procedures regarding use and access of computers and other devices that may contain our sensitive information. If we or our third-party providers fail to maintain or protect

our information technology systems and data integrity effectively or fail to anticipate, plan for or manage significant disruptions to our information technology systems, we or our third-party providers could have difficulty preventing, detecting and controlling such cyber-attacks and any such attacks could result in losses described above, as well as disputes with physicians, patients and our partners, regulatory sanctions or penalties, increases in operating expenses, expenses or lost revenues or other adverse consequences, any of which could have a material adverse effect on our business, results of operations, financial condition, prospects and cash flows. Any failure by such third parties to prevent or mitigate security breaches or improper access to or disclosure of such information could have similarly adverse consequences for us. If we are unable to prevent or mitigate the impact of such security or data privacy breaches, we could be exposed to litigation and governmental investigations, which could lead to a potential disruption to our business.

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

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

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. 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 criminal, civil and administrative sanctions including monetary penalties, damages, fines, disgorgement, individual imprisonment, reputational harm, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

The risk of our being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with multiple jurisdictions with different compliance and/or reporting requirements increases the possibility that a healthcare company may run afoul of one or more of the requirements.

Risks Related to Our Common Stock and This Offering

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.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. We will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which will require, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act of 2002, as amended, or Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas, such as "say on pay" and proxy access. Emerging growth companies may implement many of these requirements over a longer period and up to five years from the pricing of this offering. We intend to take advantage of these extended transition periods, but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

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

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

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

- the success of competitive drugs or technologies;

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- results of preclinical studies and clinical trials of our current or future product candidates or those of our competitors;
- regulatory or legal developments in the U.S. and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our current or future product candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license additional current or future product candidates or drugs;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other factors described in this “Risk Factors” section.

COVID-19 has been spreading rapidly around the world since December 2019 and has negatively affected the stock market and investor sentiment. The price of our common stock may be disproportionately affected as investors may favor traditional profit-making industries and companies during the times of market uncertainty and instability.

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

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

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

You will suffer immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering. Based on the assumed initial public offering price of \$ _____ per share, the midpoint of the range set forth on the cover of this prospectus, purchasers of common stock in this offering will experience immediate dilution of \$ _____ per share in net tangible book value of the common stock. In addition, investors purchasing common stock in this offering will contribute _____ % of the total amount invested by stockholders since inception but will only own _____ % of the shares of common stock outstanding. In the past, we issued options and other securities to acquire common stock at prices significantly below the initial public offering price. To the extent these outstanding securities are ultimately exercised, investors purchasing common stock in this offering will sustain further dilution. See the section of this prospectus titled “Dilution” for a more detailed description of the dilution to new investors in the offering.

Raising additional capital may cause dilution to our stockholders, including purchasers of common stock in this offering, restrict our operations or require us to relinquish rights to our technologies or current or future 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 private and public equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. We do not currently have any committed external source of funds. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that materially adversely affect your rights as a common stockholder. Debt financing, if available, would increase our fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our intellectual property, future revenue streams, research programs or current or future product candidates or to 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, scale back or discontinue the development and commercialization of one or more of our product candidates, delay our pursuit of potential in-licenses or acquisitions or grant rights to develop and market current or future product candidates that we would otherwise prefer to develop and market ourselves.

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

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

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

Immediately following the completion of this offering, and disregarding any shares of common stock that they purchase in this offering, the existing holdings of our executive officers, directors, principal stockholders and their affiliates will represent beneficial ownership, in the aggregate, of approximately % of our outstanding common stock, assuming no exercise of the underwriters' option to acquire additional common stock in this offering and assuming we issue the number of shares of common stock as set forth on the cover page of this prospectus. As a result, these stockholders, if they act together, will be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. These stockholders acquired their shares of common stock for substantially less than the price of the shares of common stock being acquired in this offering, and these stockholders may have interests with respect to their common stock that are different from those of investors in this offering. The concentration of voting power among these stockholders may have an adverse effect on the price of our common stock. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of us;

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

See the section of this prospectus titled “Principal Stockholders” for more information regarding the ownership of our outstanding common stock by our executive officers, directors, principal stockholders and their affiliates.

Anti-takeover provisions under our charter documents and Delaware law could delay or prevent a change of control, which could limit the market price of our common stock and may prevent or frustrate attempts by our stockholders to replace or remove our current management.

Our fourth amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, and our second amended and restated bylaws, which will become effective upon the effectiveness of our registration statement, will contain provisions that could delay or prevent a change of control of our company or changes in our board of directors that our stockholders might consider favorable. Some of these provisions include:

- a board of directors divided into three classes serving staggered three-year terms, such that not all members of the board will be elected at one time;
- a prohibition on stockholder action through written consent, which requires that all stockholder actions be taken at a meeting of our stockholders;
- a requirement that special meetings of stockholders be called only by the board of directors acting pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office;
- advance notice requirements for stockholder proposals and nominations for election to our board of directors;
- a requirement that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of all outstanding shares of our voting stock then entitled to vote in the election of directors;
- a requirement of approval of not less than two-thirds of all outstanding shares of our voting stock to amend any bylaws by stockholder action or to amend specific provisions of our certificate of incorporation; and
- the authority of the board of directors to issue preferred stock on terms determined by the board of directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporate Law, or DGCL, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These antitakeover provisions and other provisions in our fourth amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

Our amended and restated bylaws that will become effective upon the effectiveness of our registration statement designate specific courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit its stockholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our amended and restated bylaws that will become effective upon the effectiveness of our registration statement, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any state law claims for (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of or based on a breach of a fiduciary duty owed by any director, officer or other employee of ours to us or our stockholders; (3) any action asserting a claim pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or (4) any action asserting a claim governed by the internal affairs doctrine, or the Delaware Forum Provision. The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Our amended and restated bylaws further provide that unless we consent in writing to the selection of an alternative forum, the United States District Court for the District of Massachusetts shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, or the Federal Forum Provision. In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

We recognize that the Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware or the Commonwealth of Massachusetts, as applicable. Additionally, the forum selection clauses in our amended and restated bylaws may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the United States District Court for the District of Massachusetts may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

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

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after the lock-up and other legal restrictions on resale discussed in this prospectus lapse, the market price of our common stock could decline. Based upon the number of shares of common stock, on an as-converted basis, outstanding as of _____, upon the completion of this offering, we will have outstanding a total of _____ shares of common stock, assuming no exercise of the underwriters' option to purchase an additional _____ shares. Of these shares, as of the date of this prospectus, approximately _____ shares of our common stock, plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable, without restriction, in the public market immediately following this offering, assuming that current stockholders do not purchase shares in this offering. The representatives of the underwriters, however, may, in their sole discretion, permit our officers, directors and other stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements.

The lock-up agreements pertaining to this offering will expire 180 days from the date of this prospectus. After the lock-up agreements expire, based upon the number of shares of common stock, on an as-converted basis, outstanding as of _____, up to an additional _____ shares of common stock will be eligible for sale in the public market, approximately _____ % of which shares are held by directors, executive officers and other affiliates and will be subject to certain limitations of Rule 144 under the Securities Act.

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

After this offering, the holders of approximately _____ shares of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up agreements described above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates. Any sales of securities by these stockholders could have a material adverse effect on the market our common stock.

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

We will have considerable discretion in the application of the net proceeds of this offering and the concurrent private placements, including for any of the purposes described in the section of this prospectus titled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. As a result, investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the balance of the net proceeds of this offering and the concurrent private placements. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering and the concurrent private placements in a manner that does not produce income or that loses value.

If we fail to establish and maintain proper and effective internal control over financial reporting, our operating results and our ability to operate our business could be harmed.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. In connection with this offering, we intend to begin the process of documenting, reviewing and improving our internal controls and procedures for compliance with Section 404 of the Sarbanes-Oxley Act, which will require annual management assessment of the effectiveness of our internal control over financial reporting. We have begun recruiting additional finance and accounting personnel with certain skill sets that we will need as a public company.

Implementing any appropriate changes to our internal controls may distract our officers and employees, entail substantial costs to modify our existing processes, and take significant time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and harm our business. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm our stock price and make it more difficult for us to effectively market and sell any of our present or future product candidates that may receive regulatory approval.

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

Upon completion of this offering, we will become subject to certain reporting requirements of the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

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

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act, or JOBS Act, enacted in April 2012. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements, and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years following the year in which we complete this offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (a) following the fifth anniversary of the closing of this offering, (b) in which we have total annual gross revenue of at least \$1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed \$700 million as of the prior June 30th, and (ii) the date on which we have issued more than \$1 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to not “opt out” of this exemption from complying with new or revised accounting standards and, therefore, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting 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.

Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company,” which would allow us to continue to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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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. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

After the completion of this offering, we may be at an increased risk of securities class action litigation.

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains express or implied forward-looking statements that are based on our management’s belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements in this prospectus include, but are not limited to, statements about:

- the initiation, timing, progress, results, and cost of our research and development programs, and our current and future preclinical and future clinical studies, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available, and our research and development programs;
- our ability to continue to construct Pegasus, our drug discovery platform, and to enable a rational and effective drug discovery and development engine;
- the timing and the success of preclinical studies under our IRAK4, IRAKIMiD, and STAT3 programs;
- our plans to submit investigational new drug applications to the FDA for KT-474 and future product candidates;
- the subsequent initiation of planned clinical trials;
- our ability to identify research priorities and apply a risk-mitigated strategy to efficiently discover and develop product candidates, including by applying learnings from one program to other programs and from one modality to our other modalities;
- our potential ability to manufacture our drug substances, delivery vehicles, and product candidates for preclinical use, for clinical trials and on a larger scale for commercial use, if approved;
- the ability and willingness of our third-party strategic collaborators to continue research and development activities relating to our development candidates and product candidates;
- our ability to obtain funding for our operations necessary to complete further development and commercialization of our product candidates;
- our ability to obtain and maintain regulatory approval of our product candidates;
- our ability to commercialize our products, if approved;
- the pricing and reimbursement of our product candidates, if approved;
- the implementation of our business model, and strategic plans for our business, product candidates, and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;
- estimates of our future expenses, revenues, capital requirements, and our needs for additional financing;
- the potential benefits of strategic collaboration agreements, our ability to enter into strategic collaborations or arrangements, and our ability to attract collaborators with development, regulatory and commercialization expertise;
- future agreements with third parties in connection with the commercialization of product candidates and any other approved product;

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- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- our financial performance;
- the rate and degree of market acceptance of our product candidates;
- regulatory developments in the United States and foreign countries;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- our ability to produce our products or product candidates with advantages in turnaround times or manufacturing cost;
- the success of competing therapies that are or may become available;
- our ability to attract and retain key scientific or management personnel;
- the impact of laws and regulations;
- our use of the proceeds from this offering and the concurrent private placements;
- developments relating to our competitors and our industry;
- the effect of the COVID-19 pandemic, including mitigation efforts and economic effects, on any of the foregoing or other aspects of our business operations, including but not limited to our preclinical studies and future clinical trials; and
- other risks and uncertainties, including those listed under the caption “Risk Factors.”

In some cases, forward-looking statements can be identified by terminology such as “may,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue” or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the section entitled “Risk Factors” and elsewhere in this prospectus. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission 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 any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this prospectus.

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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. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market, and other data from our own internal estimates and research as well as from reports, research surveys, studies, and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. While we are not aware of any misstatements regarding any third-party information presented in this prospectus, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties and are subject to change based on various factors, including those discussed under the section titled “Risk Factors” and elsewhere in this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds from our sale of shares of our common stock in this offering will be approximately \$ million, or \$ million if the underwriters exercise in full their option to purchase additional shares, assuming an initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. In addition, we estimate that the net proceeds from the concurrent private placements will be \$ million, after deducting estimated offering expenses payable by us.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by \$ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of one million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) our net proceeds from this offering by \$ million, assuming no change in the assumed initial public offering price per share, assuming the number of shares sold in the concurrent private placements are decreased (increased) accordingly, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We do not expect that a change in the initial public offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

As of December 31, 2019, we had cash, cash equivalents and marketable securities of \$92.0 million. We currently intend to use the net proceeds from this offering and the concurrent private placements, together with our existing cash and cash equivalents, as follows:

- approximately \$ million for the advancement of our IRAK4 program;
- approximately \$ million for the advancement of our IRAKIMiD program;
- approximately \$ million for the advancement of our STAT3 program; and
- the remainder, if any, to fund the continued expansion of our platform technology, preclinical studies for research stage programs, working capital, and other general corporate purposes.

Based on our current plans, we believe our existing cash and cash equivalents and marketable securities, together with the net proceeds from this offering and the concurrent private placements, will be sufficient to fund our operations through .

This expected use of the net proceeds from this offering and the concurrent private placements represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve. For example, we may use a portion of the net proceeds for the acquisition of businesses or technologies to continue to build our pipeline, our research and development capabilities and our intellectual property position, although we currently have no agreements, commitments or understandings with respect to any such transaction. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering and the concurrent private placements or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our research and development, the status of and results from non-clinical studies or clinical trials we may commence in the future, as well as any collaborations that we may enter into with third parties for our product candidates or strategic opportunities that become available to us, and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering and the concurrent private placements.

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Pending our use of proceeds from this offering and the concurrent private placements, we intend to invest the net proceeds in a variety of capital preservation instruments, including short-term, investment-grade, interest-bearing instruments and U.S. government securities.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business, and therefore do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend on, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our board of directors may deem relevant. Investors should not purchase our common stock with the expectation of receiving cash dividends.

REORGANIZATION

We were incorporated under the laws of the State of Delaware in September 2015 under the name Project HSC, Inc. and in June 2016, changed our name to Project Chimera, Inc., or Chimera. On May 25, 2017, Kymera Therapeutics, LLC, or Kymera LLC, was formed as a Delaware limited liability company. In June 2017, Chimera engaged in a restructuring whereby all shares of common stock and principal and interest in outstanding Simple Agreements for Future Equity, or SAFEs, and promissory notes were exchanged for common units and bridge units of Kymera LLC, as follows:

- Atlas Venture Fund X, L.P., or Atlas Fund X, exchanged 1,200,000 shares of common stock of Chimera, par value \$0.0001 per share, for 1,200,000 common units of Kymera LLC;
- Atlas Fund X contributed its interest in outstanding SAFE instruments in the amount of \$3.0 million and promissory notes in the amount of \$2.0 million in exchange for 500 bridge units of equivalent value of Kymera LLC; and
- Each other holder of common stock in Chimera exchanged all 600,000 of their shares of common stock of Chimera for 600,000 common units of Kymera LLC, for a total of 1,200,000 common units of Kymera LLC.

As part of this exchange, we did not adjust or modify our equity structure and investors continued to own the same portion of the company, represented by LLC common units bearing the same terms as the Chimera equity securities that were exchanged for Kymera LLC equity securities. Chimera became the wholly owned subsidiary of Kymera LLC.

In December 2017, Chimera changed its name to Kymera Therapeutics, Inc.

On November 1, 2018, we completed a series of transactions pursuant to which Kymera LLC merged with and into us, and we continued to exist as the surviving corporation. Throughout this prospectus, we refer to these transactions and the related transactions enumerated below collectively as the “Reorganization.” To consummate the Reorganization, we filed a certificate of merger with the Secretary of State of the State of Delaware. In connection with the Reorganization:

- holders of Kymera LLC’s outstanding Series A preferred units and Series Seed-2 preferred units received one share of our Series A convertible preferred stock for each Series A preferred unit and Series Seed-2 preferred unit held immediately prior to the Reorganization, with an aggregate of 14,886,305 shares of our Series A convertible preferred stock issued in the Reorganization;
- holders of Kymera LLC’s outstanding Series Seed-1 preferred units received one share of our Series Seed convertible preferred stock for each Series Seed-1 preferred unit held immediately prior to the Reorganization, with an aggregate of 3,000,000 shares of our Series Seed convertible preferred stock issued in the Reorganization;
- holders of Kymera LLC’s outstanding common units received one share of our common stock for each common unit held immediately prior to the Reorganization, with an aggregate of 2,081,250 shares of our common stock issued for common units in the Reorganization; and
- holders of Kymera LLC’s outstanding non-voting incentive units received shares of our restricted common stock and stock options in an amount equal in value to the value of such incentive units as determined by the applicable provisions of the Kymera LLC operating agreement in effect immediately prior to the Reorganization, with an aggregate of 1,886,775 shares of our common stock issued for non-voting incentive units in the Reorganization.

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Our Series A convertible preferred stock and Series Seed convertible preferred stock are designated as convertible preferred stock under our third amended and restated certificate of incorporation. In connection with the Reorganization, by operation of law, we acquired all assets of Kymera LLC and assumed all of its liabilities and obligations. The purpose of the Reorganization was to reorganize our corporate structure in a tax-neutral manner so that our company would continue as a corporation and so that our existing investors would own our capital stock rather than equity interests in a limited liability company. For the convenience of the reader, except as context otherwise requires, all information included in this prospectus is presented giving effect to the Reorganization.

CAPITALIZATION

The following table sets forth our cash and restricted cash and total capitalization as of December 31, 2019:

- on an actual basis;
- on a pro forma basis to give effect to (i) our sale of 1,182,265 shares of Series B convertible preferred stock in January 2020 and the conversion of such shares into an aggregate of 1,182,265 shares of common stock upon the closing of this offering; (ii) our sales of 13,539,141 shares of Series C convertible preferred stock in March 2020 and the conversion of such shares into 13,539,141 shares of common stock upon the closing of this offering; (iii) the automatic conversion of all outstanding shares of our convertible preferred stock as of December 31, 2019 into an aggregate of 35,607,401 shares of common stock upon the completion of this offering; (iv) the automatic conversion of 166,179 unvested shares of Series A convertible preferred stock associated with a collaboration agreement; (v) the filing and effectiveness of our fourth amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, and (vi) the sale of _____ shares of our common stock in the concurrent private placements to certain existing investors (or _____ shares at the assumed initial public offering price of \$ _____ per share); and
- on a pro forma as adjusted basis to give further effect to the sale and issuance by us of _____ shares of our common stock in this offering, at the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read the information below in conjunction with the consolidated financial statements and the related notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this prospectus.

| | As of December 31, 2019 | | |
|---|---|--------------|---|
| | Actual | Pro Forma | Pro Forma As Adjusted ⁽¹⁾ |
| | (in thousands, except share and per share data) | | |
| Cash, cash equivalents and marketable securities | \$ 91,957 | \$184,937 | \$ |
| Convertible preferred stock (Series Seed, A, B and B-1), \$0.0001 par value; 36,955,848 shares authorized, 35,607,401 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted | 109,080 | — | |
| Stockholders’ (deficit) equity: | | | |
| Common stock, \$0.0001 par value; 45,000,000 shares authorized, 3,523,142 shares issued and 3,077,417 shares outstanding, actual; and 65,000,000 shares authorized, 54,018,128 shares issued and 53,406,221 shares outstanding, proforma; and _____ shares authorized, _____ shares issued and outstanding, pro forma as adjusted | — | 5 | |
| Additional paid-in capital | 2,044 | 210,721 | |
| Accumulated deficit | (76,456) | (83,078) | |
| Accumulated other comprehensive income | 6 | 6 | |
| Total stockholders’ (deficit) equity | (74,406) | 127,654 | |
| Total capitalization | \$ 34,674 | \$127,654 | \$ |

(1) A \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of cash and restricted cash, additional paid-in capital, total stockholders’ equity and total capitalization by approximately \$ _____ million, assuming the number of shares offered by us, as set forth

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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. Similarly, each increase (decrease) of one million shares in the number of shares offered by us in this offering would increase (decrease) the pro forma as adjusted amount of cash and restricted cash, additional paid-in capital, total stockholders' equity and total capitalization by approximately \$ million, assuming the assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same, assuming the number of shares sold in the concurrent private placements are decreased (increased) accordingly, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The actual, pro forma and pro forma as adjusted information set forth in the table above excludes each of the following:

- 4,697,527 shares of common stock issuable upon the exercise of stock options outstanding under our 2018 Plan as of December 31, 2019, at a weighted average exercise price of \$1.27 per share;
- 7,649,782 shares of common stock reserved for issuance under our 2018 Plan as of December 31, 2019;
- shares of common stock to be reserved for future issuance under our 2020 Plan, to be effective on the day immediately prior to the effectiveness of the registration statement of which this prospectus forms a part; and
- shares of common stock to be reserved for future issuance under our 2020 ESPP, to be effective on the day immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.

DILUTION

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

As of December 31, 2019, our historical net tangible book value (deficit) was \$ million, or \$ per share of our common stock. Net tangible book value (deficit) per share represents our total tangible assets (total assets less intangible assets) less total liabilities and convertible preferred stock, divided by the total number of our outstanding shares of common stock as of December 31, 2019.

Our pro forma net tangible book value as of December 31, 2019 was approximately \$ million, or \$ per share of pro forma common stock. Pro forma net tangible book value (deficit) per share represents the amount of our total tangible assets (total assets less intangible assets) less total liabilities, divided by the total number of outstanding shares of our common stock as of December 31, 2019, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock as of December 31, 2019 into an aggregate of 50,494,986 shares of common stock upon the completion of this offering.

After giving effect to (i) the pro forma adjustments set forth above, (ii) the sale and issuance of shares of common stock in this offering, at the assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (iii) the sale of shares of common stock in the concurrent private placements to certain existing investors at an assumed initial public offering price of \$ per share, our pro forma as adjusted net tangible book value as of December 31, 2019 would have been approximately \$ million, or \$ per share of our common stock. This represents an immediate increase in pro forma net tangible book value of approximately \$ per share to our existing stockholders and an immediate dilution of \$ per share to new investors.

Dilution per share to investors participating in this offering is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by investors participating in this offering. The following table illustrates this dilution (without giving effect to any exercise by the underwriters of their option to purchase additional shares):

| | |
|--|----------|
| Assumed initial public offering price per share | \$ |
| Historical net tangible book value per share as of December 31, 2019 | \$ |
| Increase in net tangible book value per share attributable to pro forma adjustments described above | _____ |
| Pro forma net tangible book value per share as of December 31, 2019, before giving effect to this offering and the concurrent private placements | \$ |
| Increase in pro forma net tangible book value per share attributable to investors participating in this offering and the concurrent private placements | _____ |
| Pro forma as adjusted net tangible book value per share immediately after this offering | _____ |
| Dilution in pro forma as adjusted net tangible book value per share to new investors participating in this offering | \$ _____ |

The dilution information discussed above is illustrative and will change based on the actual initial public offering price and other terms of this offering determined at pricing. 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 approximately \$ per share, and the dilution in pro forma as adjusted net tangible book value per share to new investors participating in this offering would be \$ per share.

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A \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value by \$ _____ per share and the dilution to investors participating in this offering by \$ _____ per share, 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 expenses payable by us.

Similarly, each increase (decrease) of one million shares in the number of shares offered by us in this offering would increase (decrease) the pro forma as adjusted net tangible book value by \$ _____ per share and the dilution to investors participating in this offering by \$ _____ per share, assuming the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same, assuming the number of shares sold in the concurrent private placements are decreased (increased) accordingly and after deducting estimated underwriting discounts and commissions and estimated expenses payable by us.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2019, the differences between the number of shares of common stock purchased from us, the total cash consideration and the average price per share paid to us by existing stockholders and by new investors purchasing shares in this offering and the concurrent private placements at the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover 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 investors paid.

| | SHARES PURCHASED | | TOTAL CONSIDERATION | | AVERAGE PRICE PER SHARE |
|--|------------------|---------|---------------------|---------|-------------------------|
| | NUMBER | PERCENT | AMOUNT | PERCENT | SHARE |
| Existing stockholders | | % | \$ | % | \$ |
| Concurrent Private Placement Investors | | | | | |
| New investors participating in this offering | | | | | |
| Total | | 100% | \$ | 100% | |

If the underwriters exercise their option to purchase additional shares in full, the number of shares of common stock held by existing stockholders will be reduced to _____ % of the total number of shares of common stock to be outstanding after this offering, and the number of shares of common stock held by investors participating in this offering will be further increased to _____ % of the total number of shares of common stock to be outstanding after this offering.

The above discussion and tables are based on _____ shares of common stock issued and outstanding as of December 31, 2019 after giving effect to the conversion of all of our outstanding convertible preferred stock into shares of our common stock upon the completion of this offering and excludes:

- 4,697,527 shares of common stock issuable upon the exercise of stock options outstanding under our 2018 Plan as of December 31, 2019, at a weighted average exercise price of \$1.27 per share;
- 7,649,782 shares of common stock reserved for issuance under our 2018 Plan as of December 31, 2019;
- _____ shares of common stock to be reserved for future issuance under our 2020 Plan, to be effective on the day immediately prior to the effectiveness of the registration statement of which this prospectus forms a part; and

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- shares of common stock to be reserved for future issuance under our 2020 ESPP, to be effective on the day immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.

To the extent that outstanding options are exercised or shares are issued under our equity incentive plans, you will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities may result in further dilution to our stockholders.

SELECTED FINANCIAL INFORMATION

The statements of operations data for the years ended December 31, 2018 and 2019 and the balance sheet data as of December 31, 2018 and 2019 are derived from our audited consolidated financial statements included elsewhere in this prospectus. You should read this data together with our consolidated financial statements and related notes included elsewhere in this prospectus and the information under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our historical results are not necessarily indicative of the results to be expected in the future for a full year or any interim period.

| | December 31, 2018 | December 31, 2019 |
|---|--|----------------------|
| | (In thousands, except share and per share data) | |
| Statement of Operations Data: | | |
| Collaboration revenue—from related party | \$ — | \$ 2,934 |
| Operating expenses: | | |
| Research and development | \$ 17,679 | \$ 37,158 |
| General and administrative | 3,772 | 7,981 |
| Total operating expenses | 21,451 | 45,139 |
| Loss from operations | (21,451) | (42,205) |
| Other income (expense): | | |
| Interest Income | — | 1,005 |
| Interest Expense | (16) | (46) |
| Total other income (expense): | (16) | 959 |
| Net loss | <u>\$ (21,467)</u> | <u>\$ (41,246)</u> |
| Other comprehensive gain: | | |
| Unrealized gain on marketable securities | — | 6 |
| Total comprehensive loss | <u>\$ (21,467)</u> | <u>\$ (41,240)</u> |
| Net loss per share attributable to common stockholders, basic and diluted | <u>\$ (11.45)</u> | <u>\$ (15.23)</u> |
| Weighted average shares of common stock outstanding, basic and diluted | <u>1,875,498</u> | <u>2,708,937</u> |

| | As of December 31, | |
|--|--------------------|-------------|
| | 2018 | 2019 |
| | (in thousands) | |
| Consolidated Balance Sheet Data: | | |
| Cash, cash equivalents and marketable securities | \$ 41,260 | \$ 91,957 |
| Working capital ⁽²⁾ | \$ 37,103 | \$ 58,275 |
| Total assets | \$ 44,231 | \$ 116,702 |
| Convertible preferred stock | \$ 73,429 | \$ 109,080 |
| Total stockholders’ deficit | \$(34,436) | \$ (74,406) |

(2) We define working capital as current assets, less current liabilities. Refer to our consolidated financial statements included elsewhere in this prospectus for further details regarding our current assets and 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 Consolidated Financial Data" section of this prospectus and our consolidated financial statements and the 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, uncertainties and assumptions. You should read the "Special Note Regarding Forward-Looking Statements" and "Risk Factors" sections of this prospectus for a discussion of important factors that could cause actual results to 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 biopharmaceutical company focused on discovering and developing novel small molecule therapeutics that selectively degrade disease-causing proteins by harnessing the body's own natural protein degradation system. Our proprietary targeted protein degradation platform, which we refer to as Pegasus, allows us to discover highly selective small molecule protein degraders with potent activity against disease-causing proteins throughout the body. We believe that our small molecule protein degraders have unique advantages over existing therapies and allow us to address a large portion of the human genome that was previously intractable with traditional modalities. We focus on biological pathways that have been clinically validated but where key biological nodes/proteins have not been drugged or inadequately drugged. To date, we have utilized our Pegasus platform to design novel protein degraders focused in the areas of immunology-inflammation and oncology, and continue to apply our platform's capabilities to additional therapeutic areas. Our initial programs include IRAK4, IRAKIMiD, and STAT3. We expect KT-474, a molecule from our IRAK4 program, to begin a Phase 1 trial in the first half of 2021, and degraders from our IRAKIMiD and STAT3 programs to enter the clinic in the second half of 2021.

Since our inception in 2015, we have devoted substantially all of our efforts to organizing and staffing our company, research and development activities, business planning, raising capital, building our intellectual property portfolio and providing general and administrative support for these operations. To date, we have principally raised capital through the issuance and sale of shares of our convertible preferred stock to outside investors and collaborators in private equity financings as well as the receipt of \$50.0 million through our collaboration with Vertex Pharmaceuticals Incorporated, or Vertex. To date, we had received gross proceeds of \$204.5 million from investors in our Series A, Series B, Series B-1 and Series C financings.

We have incurred significant operating losses since inception. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our current product candidates or any future product candidates. Our net losses were \$21.5 million and \$41.2 million for the years ended December 31, 2018 and 2019, respectively. We expect that our expense and capital requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- continue preclinical activities of our initial programs, IRAK4, IRAKIMiD and STAT3, including the advancement of our IRAK4 program into a Phase 1 Clinical Trial in the first half of 2021;
- initiate and continue research and preclinical and clinical development of our other product candidates;
- advance the development of our product candidate pipeline;
- continue to develop and expand our Pegasus platform to identify additional product candidates;
- maintain, expand and protect our intellectual property portfolio;

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- seek marketing approvals for our product candidates that successfully complete clinical trials, if any;
- acquire or in-license additional product candidates and technologies;
- expand our infrastructure and facilities to accommodate our growing employee base and ongoing development activity; and
- require the manufacture of larger quantities of our product candidates for clinical development and potential commercialization;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval; and
- add operational, financial and management information systems and personnel, including personnel to support our research and development programs, any future commercialization efforts and our transition to operating as a public company following the completion of this offering.

In addition, if we obtain marketing approval for any of our lead product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution.

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 the sale of equity, debt financings, or other capital sources, which may include collaborations with other companies or other strategic transactions. 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, reduce or eliminate the development and commercialization of one or more of our product candidates.

We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain marketing approval for our drug candidates. The lengthy process of securing marketing approvals for new drugs requires the expenditure of substantial resources. Any delay or failure to obtain regulatory approvals would materially adversely affect our product candidate development efforts and our business overall. Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate 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 December 31, 2019, we had cash and cash equivalents and marketable securities of \$92.0 million. We believe the existing cash, cash equivalents and marketable securities on hand, together with the additional \$93.0 million of net cash proceeds received in connection with the issuances of Series B convertible preferred stock and Series C convertible preferred stock in the first quarter of 2020, and the anticipated net proceeds from this offering and the concurrent private placements, will enable us to fund our operating expenses and capital expenditure requirements through . We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See “—Liquidity and capital resources.”

Since it was reported to have surfaced in December 2019, a novel strain of coronavirus (COVID-19) has spread across the world and has been declared a pandemic by the World Health Organization. Efforts to contain the spread of COVID-19 have intensified and governments around the world, including in the United States, Europe and Asia, have implemented severe travel restrictions, social distancing requirements, stay-at-home orders and have delayed the commencement of non-COVID-19-related clinical trials, among other restrictions. As a result, the current COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting our employees, patients, communities and business operations, as well as

contributing to significant volatility and negative pressure on the U.S. economy and in financial markets. We expect that COVID-19 precautions will directly or indirectly impact the timeline for some of our planned clinical trials and are continuing to assess the potential impact of the COVID-19 pandemic on our current and future business and operations, including our expenses and clinical trials, as well as on our industry and the healthcare system.

As a result of the outbreak, many companies have experienced disruptions in their operations and in markets served. To date, we have instated some and may take additional temporary precautionary measures intended to help ensure our employees' well-being and minimize business disruption. These measures include devising contingency plans and securing additional resources from third-party service providers. For the safety of our employees and their families, we have temporarily reduced the presence of our scientists in our labs and continue to rely on third parties to conduct many of the experiments and studies for our research programs. Certain of our third-party service providers have also experienced shutdowns or other business disruptions. We are continuing to assess the impact of the COVID-19 pandemic on our current and future business and operations, including our expenses and planned clinical trial and other development timelines, as well as on our industry and the healthcare system.

Reorganization

We are a Delaware corporation that was incorporated in September 2015 under the name Project HSC, Inc. and in June 2016, changed our name to Project Chimera, Inc. As more fully described in the section of this prospectus titled "Prospectus Summary—Reorganization," on November 1, 2018, we completed a series of transactions, or the Reorganization, pursuant to which Kymera Therapeutics LLC, or Kymera LLC, merged with and into Kymera Therapeutics, Inc. The purpose of the Reorganization was to reorganize our corporate structure so that its existing investors would own capital stock in a corporation rather than equity interest in a limited liability company. In connection with the Reorganization, (i) the existing unitholders of Kymera LLC exchanged their units of Kymera LLC for the same number and classes of our common stock and convertible preferred stock on a one-to-one basis, with rights identical to the exchanged units of Kymera LLC; and (ii) the holders of all outstanding common incentive units of Kymera LLC exchanged their units for a combination of our restricted common stock and options to purchase our common stock. These exchanges resulted in the common incentive unit holders being given either one-for-one restricted stock for their incentive units or a split of approximately sixty to forty percent of restricted stock and options to purchase common stock based on the threshold value amount of the incentive units held by such holders.

Upon completion of the Reorganization, the historical consolidated financial statements of Kymera LLC became the historical consolidated financial statements of Kymera Therapeutics, Inc. because the Reorganization was accounted for as a reorganization of entities under common control.

Except as otherwise indicated or the context otherwise requires, all information in this prospectus is presented giving effect to the Reorganization.

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. Our only revenues have been derived from research collaboration arrangements with Vertex. We expect that our revenue for the next several years will be derived primarily from our current collaboration agreements and any additional collaborations that we may enter into in the future. To date, we have not received any royalties under any of the collaboration agreements.

Vertex Collaboration Agreement

On May 9, 2019, we entered into a collaboration agreement, or the Vertex Agreement, with Vertex, to advance small molecule protein degradation against up to six targets. Under the Vertex Agreement, Vertex has the exclusive option to license the rights to the product candidates developed through the collaboration at which point Vertex will control development and commercialization. Pursuant to the Vertex Agreement, we are responsible for discovery and preclinical research on the targets, and Vertex is responsible for development, manufacturing, and commercialization of the product candidates after it exercises its option to license.

Vertex provided us with a non-refundable upfront payment of \$50.0 million and purchased 3,059,695 shares of our Series B-1 convertible preferred stock at \$6.54 a share, pursuant to a separate, but simultaneously executed Share Purchase Agreement. We are eligible to receive up to \$170 million in payments per target, including development, regulatory, and commercial milestones, as well as option exercise payments. In addition, Vertex is obligated to pay us tiered royalties on future net sales on any products that may result from the Vertex Agreement. None of the payments under the Vertex Agreement are refundable. We may also perform follow-on research activities for an optioned target upon Vertex's request and at Vertex's expense.

Operating expenses

Our operating expenses since inception have consisted solely of research and development expenses and general and administrative expenses.

Research and development expenses

Research and development expenses consist primarily of costs incurred in connection with the discovery and development of targeted protein degradation therapeutics, including those in our initial programs, IRAK4, IRAKIMiD and STAT3. These research efforts and costs, which also support the development of, and enhancements to, our Pegasus platform, include external research costs, personnel costs, supplies, license fees and facility-related expenses. We expense research and development costs as incurred. These expenses include:

- employee-related expenses, including salaries, related benefits and stock-based compensation expense, for employees engaged in research and development functions;
- expenses incurred under agreements with organizations that support our platform program development;
- contract manufacturing organizations, or CMOs, that are primarily engaged to provide drug substance and product for our preclinical research and development programs, nonclinical studies and other scientific development services;
- the cost of acquiring and manufacturing nonclinical trial materials, including manufacturing registration and validation batches;
- facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities and insurance;
- costs related to compliance with quality and regulatory requirements; and
- payments made under third-party licensing agreements.

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. Such amounts are recognized as an expense as the goods are delivered or the related services are performed, or until it is no longer expected that the goods will be delivered or the services rendered.

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 development activities in the near term and in the future. At this time, we cannot accurately estimate or know the nature, timing and costs of the efforts that will be necessary to complete the clinical development of any future product candidates.

Our future clinical development costs may vary significantly based on factors such as:

- per patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients that participate in the trials;
- the number of doses that patients receive;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the cost and timing of manufacturing our product candidates;
- the phase of development of our product candidates; and
- the efficacy and safety profile of our product candidates.

The successful development and commercialization of 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 nonclinical and clinical development activities;
- the number and scope of nonclinical and clinical programs we decide to pursue;
- the ability to raise necessary additional funds;
- the progress of the development efforts of parties with whom we may enter into collaboration arrangements;
- our ability to maintain our current development program 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 FDA or any comparable foreign regulatory authority;
- the receipt and related terms of regulatory approvals from applicable regulatory authorities;
- the availability of drug substance and drug product for use in production of our product candidates;
- our ability to establish and maintain agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if any of our product candidates are approved;
- our ability to obtain and maintain patents, trade secret protection and regulatory exclusivity, both in the United States and internationally;
- our ability to protect our rights in our intellectual property portfolio;

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- our ability to obtain and maintain third-party insurance coverage and adequate reimbursement;
- the acceptance of our product candidates, if approved, by patients, the medical community and third-party payors;
- the impact of competition with other products;
- the impact of any business interruptions to our operations, including the timing and enrollment of patients in our planned clinical trials, or to those of our manufacturers, suppliers, or other vendors resulting from the COVID-19 pandemic or similar public health crisis; and
- our ability to maintain a continued acceptable safety profile for our therapies following approval.

A change in the outcome of any of these variables with respect to the development 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 for personnel in executive, finance, corporate and business development, and administrative functions. General and administrative expenses also include legal fees relating to patent and corporate matters, professional fees for accounting, auditing, tax and administrative consulting services, insurance costs, administrative travel expenses, marketing expenses and other operating costs.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support development of our product candidates and our continued research activities. We also anticipate that we will incur increased accounting, audit, legal, regulatory, compliance and director and officer insurance costs as well as legal, investor and public relations expenses associated with being a public company.

Other Income (Expense)

Interest income and expense, net

Interest income consists of interest earned on our invested cash balances.

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, or NOL, carryforwards and tax credits will be realized. As of December 31, 2018 and 2019, we had federal NOL carryforwards of approximately \$31.4 million and \$71.5 million, respectively, and state NOL carryforwards of approximately \$30.0 million and \$68.3 million, respectively, which may be available to offset future taxable income and begin to expire in 2036. Of the federal NOL carryforwards, \$61.5 million are not subject to expiration. As of December 31, 2018 and 2019, we also had U.S. federal research and development tax credit carryforwards of \$0.5 million and \$1.1 million, respectively, and state research and development tax credit carryforwards of \$0.2 million and \$0.7 million, respectively, which may be available to offset future tax liabilities, and which begin to expire in 2036. Our loss and credit carryforwards also may be subject to additional limitations due to changes in ownership since inception. We have recorded a full valuation allowance against our net deferred tax assets at each balance sheet date. We currently anticipate that there will be no change in our unrecognized tax benefits in the next twelve months. As of December 31, 2019, we had no unrecognized tax benefits.

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act, or the CARES Act, was signed into law in March 2020. The CARES Act lifts certain deduction limitations originally

imposed by the Tax Cuts and Jobs Act of 2017, or the 2017 Tax Act. Corporate taxpayers may carryback NOLs originating during 2018 through 2020 for up to five years, which was not previously allowed under the 2017 Tax Act. The CARES Act also eliminates the 80% taxable income limitations by allowing corporate entities to fully utilize NOL carryforwards to offset taxable income in 2018, 2019 or 2020. Taxpayers may generally deduct interest up to the sum of 50% of adjusted taxable income plus business interest income (30% limit under the 2017 Tax Act) for tax years beginning January 1, 2019 and 2020. The CARES Act allows taxpayers with alternative minimum tax credits to claim a refund in 2018 or 2019 for the entire amount of the credits instead of recovering the credits through refunds over a period of years, as originally enacted by the 2017 Tax Act. In addition, the CARES Act raises the corporate charitable deduction limit to 25% of taxable income and makes qualified improvement property generally eligible for 15-year cost-recovery and 100% bonus depreciation. We continue to evaluate the potential impact of the CARES Act to our income tax provision, or to our net deferred tax assets.

Results of Operations

Comparison of years ended December 31, 2018 and 2019

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

| | Year Ended December 31, | | Change |
|--------------------------------|----------------------------|--------------------|--------------------|
| | 2018 | 2019 | |
| | (in thousands) | | |
| Revenue—from related party | \$ — | \$ 2,934 | \$ 2,934 |
| Operating expenses: | | | |
| Research and development | 17,679 | 37,158 | 19,479 |
| General and administrative | 3,772 | 7,981 | 4,209 |
| Total operating expenses | 21,451 | 45,139 | 23,688 |
| Loss from operations | (21,451) | (42,205) | (20,754) |
| Interest income (expense), net | (16) | 959 | 975 |
| Net loss | <u>\$ (21,467)</u> | <u>\$ (41,246)</u> | <u>\$ (19,779)</u> |

Collaboration revenue

The collaboration revenue of \$2.9 million recognized in the year ended December 31, 2019 is the result of our collaboration with Vertex entered into in May 2019.

Research and development expenses

The following table summarizes our research and development expenses for each period presented:

| | Year Ended December 31, | | Change |
|--|----------------------------|------------------|------------------|
| | 2018 | 2019 | |
| | (in thousands) | | |
| External research and development costs: | | | |
| IRAK4 and IRAKIMiD | \$ 6,040 | \$ 13,478 | \$ 7,438 |
| STAT3 | 582 | 2,474 | 1,892 |
| Other | 4,899 | 8,822 | 3,923 |
| Internal research and development costs | 6,158 | 12,384 | 6,226 |
| Total research and development expenses | <u>\$ 17,679</u> | <u>\$ 37,158</u> | <u>\$ 19,479</u> |

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Research and development expenses were \$37.2 million for the year ended December 31, 2019, compared to \$17.7 million for the year ended December 31, 2018. The increase of \$19.5 million was primarily due to higher direct expenses related lead optimization activities for our IRAK programs of \$7.4 million and STAT3 programs of \$1.9 million, as well as increased investment in our platform, exploratory programs, and Vertex collaboration of \$3.9 million. We also had a \$6.2 million increase in personnel, occupancy and related costs due to increases in employee headcount in the research and development functions.

General and administrative expenses

General and administrative expenses were \$8.0 million for the year ended December 31, 2019, compared to \$3.8 million for the year ended December 31, 2018. The increase of \$4.2 million was primarily due to an increase of \$2.2 million in legal and professional service fees and an increase of \$2.0 million in personnel, facility and other expenses stemming from an increase in headcount to support our growth as we move towards becoming a public company.

Interest Income (Expense), Net

Other income, net was \$1.0 million for the year ended December 31, 2019, and other expense, net was negligible for the year ended December 31, 2018. The increase in 2019 was primarily related to interest income on marketable securities.

Liquidity and capital resources

We have not yet generated any revenue from any product sales, and we have incurred significant operating losses since our inception. We have not yet commercialized any products and we do not expect to generate revenue from sales of products for several years, if at all. To date, we have funded our operations primarily with proceeds from the sale of our convertible preferred stock and collaboration agreements. To date, we had received gross proceeds of \$204.5 million from sales of our convertible preferred stock. As of December 31, 2019, we had cash and cash equivalents and marketable securities of \$92.0 million.

Cash flows

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

| | Year Ended December 31, | |
|--|----------------------------|------------------|
| | 2018 | 2019 |
| | (in thousands) | |
| Cash (used in) provided by operating activities | \$(17,863) | \$ 17,905 |
| Cash used in investing activities | (1,356) | (16,486) |
| Cash provided by financing activities | 52,932 | 34,911 |
| Net increase in cash, cash equivalents and restricted cash | <u>\$ 33,713</u> | <u>\$ 36,330</u> |

Cash Flow from Operating Activities

During the year ended December 31, 2018, operating activities used \$17.9 million of cash, resulting primarily from the net loss of \$21.5 million, primarily offset by an increase of accounts payable and accrued expenses of \$2.9 million, equity-based compensation of \$0.6 million and non-cash consideration of \$0.4 million for a license.

During the year ended December 31, 2019, operating activities provided \$17.9 million of cash, resulting from the \$55.9 million in aggregate payments received in connection with the Vertex Agreement, including the

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premium paid on the Series B-1 convertible preferred stock purchase. Cash provided by operating activities also includes an increase of accounts payable and accruals of \$3.2 million, an increase of net operating lease right of use assets and liabilities of \$1.0 million offset by a net decrease of operating assets and liabilities of \$1.0 million and our net loss of \$41.2 million.

Cash Flow from Investing Activities

During the year ended December 31, 2018, investing activities used \$1.4 million of cash, primarily due to purchases of property and equipment.

During the year ended December 31, 2019, investing activities used \$16.5 million of cash, primarily due to \$16.0 million in purchases of marketable securities and \$0.5 million in purchases of property and equipment.

Cash Flow from Financing Activities

During the year ended December 31, 2018, net cash provided by financing activities was \$52.9 million, primarily consisting of proceeds from issuances of Series A preferred units of \$14.5 million in May 2018, net of issuance costs, and Series B convertible preferred stock of \$38.7 million in November 2018, net of issuance costs.

During the year ended December 31, 2019, net cash provided by financing activities was \$34.9 million, which consisted of \$14.0 million of proceeds from our issuances of Series B-1 convertible preferred stock in May 2019, net of issuance costs and \$21.2 million of proceeds from the second closing of our Series B convertible preferred stock financing in December 2019, net of issuance costs.

Future funding requirements

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the later-stage clinical development of our product candidates. In addition, upon the completion of this offering, we expect to incur additional costs associated with operating as a public company.

Because of the numerous risks and uncertainties associated with the development of our product candidates and programs and because the extent to which we may enter into collaborations with third parties for development of our product candidates is unknown, we are unable to estimate the timing and amounts of increased capital outlays and operating expenses associated with completing the research and development of our product candidates. The timing and amount of our operating expenditures will depend largely on:

- the initiation, progress, timing, costs and results of nonclinical studies and clinical trials for our product candidates or any future product candidates we may develop;
- our ability to maintain our relationships with Vertex and other key collaborators;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA and comparable foreign regulatory authorities, including the potential for such authorities to require that we perform more nonclinical studies or clinical trials than those that we currently expect or change their requirements on studies that had previously been agreed to;
- the cost to establish, maintain, expand, enforce and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with licensing, preparing, filing, prosecuting, defending and enforcing any patents or other intellectual property rights;
- the effect of competing technological and market developments;
- the costs of continuing to grow our business, including hiring key personnel and maintaining or acquiring operating space;

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- the degree of market acceptance of any approved product candidates, including product pricing, as well as product coverage and the adequacy of reimbursement by third-party payors;
- the cost of acquiring, licensing or investing in additional businesses, products, product candidates and technologies;
- the cost and timing of selecting, auditing and potentially validating a manufacturing site for commercial-scale manufacturing;
- the cost of establishing sales, marketing and distribution capabilities for any product candidates for which we may receive regulatory approval and that we determine to commercialize; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems.

We believe that the anticipated net proceeds from this offering and the concurrent private placements, together with our existing cash and cash equivalents as of December 31, 2019 and the additional \$93.0 million of net cash proceeds received in connection with the issuances of Series B convertible preferred stock and Series C convertible preferred stock in the first quarter of 2020, will enable us to fund our operating expenses and capital expenditure requirements at least through . We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. We expect that we will require additional funding to continue the clinical development of our IRAK4, IRAK1MiD and STAT3 programs, commercialize our product candidates if we receive regulatory approval, and pursue in-licenses or acquisitions of other product candidates. If we receive regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution, depending on where we choose to commercialize our product candidates.

Identifying potential product candidates and conducting preclinical studies and clinical trials is a time consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for many years, if ever. Accordingly, we will need to obtain substantial additional funds to achieve our business objectives.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, and marketing, distribution or licensing arrangements with third parties. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Market volatility resulting from the COVID-19 pandemic or other factors could also adversely impact our ability to access capital as and when needed. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our existing stockholders may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specified actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise 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 or other arrangements when needed, we may be required to delay, reduce or eliminate 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.

Contractual Obligations and Other Commitments

The following table summarizes our contractual obligations as of December 31, 2019, which primarily represent minimum contractual lease payments on our real estate leases in Cambridge and Watertown, Massachusetts, as well as lab and office equipment under financing lease arrangements, and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

| (in thousands) | Payments due by period | | | | |
|------------------|------------------------|---------------------|-----------------|-----------------|----------------------|
| | Total | Less than 1 year | 1 to 3 years | 3 to 5 years | More than 5 years |
| Operating leases | \$31,183 | \$ 2,843 | \$ 6,901 | \$ 5,700 | \$ 15,739 |
| Financing leases | 2,085 | 705 | 1,145 | 235 | — |
| Total | <u>\$33,268</u> | <u>\$ 3,548</u> | <u>\$ 8,046</u> | <u>\$ 5,935</u> | <u>\$ 15,739</u> |

Apart from the contracts with payment commitments that we have reflected in the table, we have entered into other contracts in the normal course of business with certain CROs, CMOs, and other third parties for nonclinical research studies and testing, preclinical programs and manufacturing services. These contracts do not contain any minimum purchase commitments and are cancelable by us upon prior notice and, as a result, are not included in the table of contractual obligations and commitments above. Payments due upon cancellation consist only of payments for services provided and expenses incurred, including non-cancelable obligations of our service providers, up to the date of cancellation.

We may incur potential royalty payments under license and collaboration agreements we have entered into with various entities pursuant to which we have in-licensed certain intellectual property. Due to the uncertainty of the achievement and timing of the events requiring payment under these agreements, the amounts to be paid by us are not fixed or determinable at this time and are excluded from the table above.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles, or GAAP, in the United States. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and the disclosure of contingent assets and liabilities in our consolidated 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 consolidated 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 consolidated financial statements.

Revenue Recognition

As discussed in Note 2 to our consolidated audited financial statements appearing at the end of this prospectus, we adopted Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers ("ASC 606") as of January 1, 2017. 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, we perform 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) we satisfy each performance obligation. We only apply 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.

When optional goods or services are offered, we assess the options to determine whether the options grant the customer a material right. This determination includes whether the option is priced at an amount that the customer would not have received without entering into the contract. If we conclude the option conveys a material right, it is accounted for as a separate performance obligation. In identifying performance obligations in a contract, we identify those promises that are distinct. Promised goods or services are considered distinct when the customer can benefit from the goods or services on their own, or together with readily available resources, and the goods or services are separately identifiable from other promises in the contract. If a promise is not distinct, it is combined with other promises in the contract until the combined group of promises is capable of being distinct.

We estimate the transaction price based on the amount of consideration we expect to receive 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, we evaluate the amount of the potential payments and the likelihood that the payments will be received. If it is probable that a significant revenue reversal would not occur, the variable consideration is included in the transaction price. For contracts that include sales-based royalties for licensed compounds, we recognize revenue at the date when the related sales occur. Finally, we determine whether the contract contains a significant financing component by analyzing the promised consideration relative to the standalone selling price of the promised goods and services and the timing of payment relative to the transfer of the promised goods and services. At each reporting date, we reassess the transaction price and probability of achievement of the performance obligations and the associated constraints on transaction price. If necessary, we adjust the transaction price, recording a cumulative catch-up based on progress for the amount that was previously constrained.

Revenue is recognized when (or as) control of a performance obligation is transferred to the customer. When combined performance obligations contain a promised license and related services or other promises, management judgment is required to determine the appropriate timing of revenue recognition. In doing so, we must identify the predominant promise or promises in the contract to determine whether revenue is recognized at a point in time or over time. If over time, we must determine the appropriate measure of progress. If a license is deemed to be the predominant promise in a performance obligation, we must determine the nature of the license, whether functional or symbolic intellectual property, to conclude whether point-in-time or over-time revenue recognition is most appropriate. The determination of functional or symbolic intellectual property requires an assessment of whether the customer is able to exploit and benefit from the license in its current condition, or if the utility of the license is dependent on or influenced by our ongoing activities or being associated with us.

At each reporting date, we calculate the measure of progress for the performance obligations transferred over time. The calculation generally uses an input measure based on costs incurred to-date relative to estimated total costs to complete the transfer of the performance obligation. The measurement of progress is then used to calculate the total revenue earned, including any cumulative catch-up adjustment.

Research and Development Contract Costs and Accruals

As part of the process of preparing our consolidated 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 consolidated financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of these estimates with the service providers and make adjustments, if necessary. Examples of estimated accrued research and development expenses include fees paid to:

- vendors, including research laboratories, in connection with preclinical development activities;
- CROs and investigative sites in connection with preclinical studies; and
- CMOs in connection with drug substance and drug product formulation of preclinical studies.

We base the expense recorded related to external research and development on our estimates of the services received and efforts expended pursuant to quotes and contracts with multiple CMOs and CROs that supply, conduct and manage nonclinical studies on our behalf. 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 the amount of prepaid expenses 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.

Equity-Based Compensation Expense

Prior to the Reorganization, we issued equity awards as common incentive units to employees, executives, directors and consultants. Upon the Reorganization on November 1, 2018, we exchanged all outstanding common incentive units for restricted stock and stock options to purchase our common stock. These exchanges resulted in the common incentive unit holders being given either (i) one-for-one restricted stock for their incentive units or (ii) an approximately sixty to forty percent split between restricted stock and options to purchase common stock based on the threshold value amount of the incentive units held by such holders.

Subsequent to the Reorganization, we issue equity awards under the 2018 Stock Incentive Plan, under which we may issue stock options, restricted stock and other equity-based awards. As of December 31, 2019, we have only issued stock options and restricted stock under the 2018 Stock Incentive Plan.

We measure equity-based awards granted to employees, directors, and nonemployees based on their fair value on the date of the grant and recognize compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. The equity-based payments include stock options and grants of common stock, including common stock subject to vesting. The measurement date for equity awards is the date of grant, and equity-based compensation costs are recognized as expense over the requisite service period, which is the vesting period, on a straight-line basis. We have issued stock options and restricted stock with performance-based vesting conditions and record the expense for these awards if we conclude that it is probable that the performance condition will be achieved. The fair value of each common incentive unit and stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the option, the risk-free interest rate for a period that approximates the expected term of the option, and our expected dividend yield. Expected volatility is calculated based on reported volatility data for a representative group of publicly traded companies for which historical information is available. We select companies with comparable characteristics to us with historical share price information that approximates

the expected term of the equity-based awards. We compute the historical volatility data using the daily closing prices for the selected companies' shares during the equivalent period that approximates the calculated expected term of our stock options. We will continue to apply this method until a sufficient amount of historical information regarding the volatility of our stock price becomes available. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant commensurate with the expected term assumption. We use the simplified method, under which the expected term is presumed to be the midpoint between the vesting date and the end of the contractual term. We utilize this method due to lack of historical exercise data. The expected dividend yield is assumed to be zero as we have no current plans to pay any dividends on common stock. The fair value of each restricted common stock award is estimated on the date of grant based on the fair value of our common stock on that same date.

Determination of the 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 and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

Under the probability-weighted expected return method, or PWERM, the value of an enterprise, and its underlying common securities, are estimated based on an analysis of future values for the enterprise, assuming various outcomes. The value of the common securities is based on the probability-weighted present value of expected future investment returns considering each of the possible outcomes and the rights of each class of equity. The future values of the common securities under the various outcomes are discounted back to the valuation date at an appropriate risk-adjusted discount rate and then probability weighted to determine the value for the common securities.

The option pricing method, or OPM, treats common securities and preferred securities as call options on the enterprise's equity value, with exercise prices based on the liquidation preferences of the preferred securities. Under this method, the common securities have value only if the funds available for distribution to shareholders exceed the value of the liquidation preferences at the time of a liquidity event. The Black-Scholes model is used to price the call option, and the model includes assumptions for the time to liquidity and the volatility of equity value.

The hybrid method is a hybrid between the PWERM and OPM, estimating the probability-weighted value across multiple scenarios but using the OPM to estimate the allocation of value within one or more of those scenarios.

Valuations performed in the year ended December 31, 2018 and 2019 used a hybrid of the PWERM and OPM when allocating our enterprise value to classes of securities.

When using the hybrid method, we assumed two scenarios: an IPO scenario and a trade-sale scenario. The IPO scenario estimated an equity value based on the guideline public company method under a market approach. The guideline public companies considered for this scenario consist of biopharmaceutical companies with recently completed initial public offerings. We converted our estimated future value in an IPO to present value using a risk-adjusted discount rate. The equity value for the trade-sale scenario was estimated using the price of a recently issued preferred security, as well as a milestone-based tranche closing. We utilized an option pricing model to quantify or attribute value to these economic rights of convertible preferred stock as compared to the common stock, such as liquidation preferences, dividend provisions, and participation rights after liquidation preferences.

In the OPM, volatility is estimated based on the trading histories of selected guideline public companies. The relative probability of each scenario was determined based on an assessment of then-current market conditions and our expectations as to timing and prospects of an IPO.

The assumptions underlying these valuations were highly complex and subjective and represented management’s best estimates, which involved inherent uncertainties and the application of management’s judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could be 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 summarize each equity award grant between January 1, 2018 through October 31, 2018:

| <u>Grant Date</u> | <u>Award type</u> | <u>Number of shares subject to awards granted</u> | <u>Per share exercise price of awards</u> | <u>Fair value per common share on grant date</u> | <u>Per share estimated fair value of awards⁽¹⁾</u> |
|--------------------|-------------------|---|---|--|---|
| February 13, 2018 | Incentive Units | 457,206 | \$ 0.30 | \$ 0.62 | \$ 0.55 |
| May 24, 2018 | Incentive Units | 15,129 | \$ 0.30 | \$ 0.62 | \$ 0.55 |
| August 30, 2018 | Incentive Units | 229,885 | \$ 0.30 | \$ 0.70 | \$ 0.40 |
| September 14, 2018 | Incentive Units | 338,577 | \$ 0.30 | \$ 0.70 | \$ 0.40 |

- (1) The per share estimated fair value of options reflects the weighted-average fair value of incentive units granted on each grant date determined using the Black-Scholes option-pricing model.

The following table summarize each equity award grant between November 1, 2018 (the date of the Reorganization) through December 31, 2019:

| <u>Grant Date</u> | <u>Award type</u> | <u>Number of shares subject to awards granted</u> | <u>Per share exercise price of awards</u> | <u>Fair value per common share on grant date</u> | <u>Per share estimated fair value of awards⁽¹⁾</u> |
|-------------------|-------------------|---|---|--|---|
| November 1, 2018 | Stock Options | 946,003 | \$ 0.82 | \$ 1.00 | \$ 0.66 |
| November 1, 2018 | Restricted Stock | 1,886,775 | \$ N/A | \$ 1.00 | \$ 1.00 |
| May 23, 2019 | Stock Options | 2,186,245 | \$ 1.30 | \$ 1.55 | \$ 1.06 |
| August 29, 2019 | Stock Options | 1,186,520 | \$ 1.30 | \$ 1.55 | \$ 1.04 |
| November 14, 2019 | Stock Options | 1,676,343 | \$ 1.30 | \$ 1.55 | \$ 1.07 |

- (1) The per share estimated fair value of options reflects the weighted-average fair value of options granted on each grant date determined using the Black-Scholes option-pricing model.

At the time of grant of each of the stock options listed above, our board of directors determined that the values included under “Per share exercise price of awards” reasonably reflected the per share fair value of our common shares as of the grant dates. However, for certain dates, the fair value of the common shares at the date of these grants was adjusted to the amounts included under “Estimated Fair Value per Common Share at Grant Date” in connection with retrospective fair value assessments for financial reporting purposes. These reassessed values were based, in part, upon third-party valuations of our common stock prepared as of each grant date on a retrospective basis. The third-party valuations were prepared using the hybrid method and used market approaches to determine our enterprise value.

JOBS Act Accounting Election

Under Section 107(b) of the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, an “emerging growth company” can delay the adoption of new or revised accounting standards until such time as those standards would apply to private companies. We have elected to avail ourselves of this exemption to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, where allowable we have early adopted certain standards as described in Note 2 of our consolidated financial statements. There are other exemptions and reduced reporting requirements provided by the JOBS Act that we are currently evaluating. For example, as an “emerging growth company,” we are exempt from Sections 14A(a) and (b) of the Exchange Act which would otherwise require us to (1) submit certain executive compensation matters to shareholder advisory votes, such as “say-on-pay,” “say-on-frequency,” and “golden parachutes;” and (2) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of our chief executive officer’s compensation to our median employee compensation. We also intend to rely on an exemption from the rule requiring us to provide an auditor’s attestation report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act. We will continue to remain an “emerging growth company” until the earliest of the following: (1) the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; (2) the last day of the fiscal year in which our total annual gross revenue is equal to or more than \$1.07 billion; (3) the date on which we have issued more than \$1 billion in nonconvertible debt during the previous three years; or (4) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

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 Securities and Exchange Commission.

Recently Issued and Adopted Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our consolidated financial statements appearing at the end of this prospectus.

Quantitative and Qualitative Disclosures About Market Risks

Our primary exposure to market risk relates to changes in interest rates. As of December 31, 2019, we had cash and cash equivalents and marketable securities of \$92.0 million. Our exposure to interest rate sensitivity is impacted by changes in the underlying U.S. bank interest rates. Our surplus cash has been invested in money market fund accounts, interest-bearing savings accounts as well as U.S. government debt securities from time to time. We have not entered into investments for trading or speculative purposes. Due to the conservative nature of our investment portfolio, which is predicated on capital preservation of investments with short-term maturities, we do not believe an immediate one percentage point change in interest rates would have a material effect on the fair market value of our portfolio, and therefore we do not expect our operating results or cash flows to be significantly affected by changes in market interest rates.

All of our employees and our operations are currently located in the United States. We have, from time to time, engaged in contracts with contractors or other vendors in a currency other than the U.S. dollar. To date, we have had minimal exposure to fluctuations in foreign currency exchange rates as the time period between the date that transactions are initiated, and the date of payment or receipt of payment is generally of short duration. Accordingly, we believe we do not have a material exposure to foreign currency risk.

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 periods presented.

BUSINESS

Overview

We are a biopharmaceutical company focused on discovering and developing novel small molecule therapeutics that selectively degrade disease-causing proteins by harnessing the body's own natural protein degradation system. Our proprietary targeted protein degradation platform, which we refer to as Pegasus, allows us to discover highly selective small molecule protein degraders with potent activity against disease-causing proteins throughout the body. We believe that our small molecule protein degraders have significant advantages over existing therapies and allow us to address a large portion of the human genome that was previously intractable with traditional modalities. We focus on biological pathways that have been clinically validated but where key biological nodes/proteins have not been drugged or have been inadequately drugged. To date, we have utilized our Pegasus platform to design novel protein degraders focused in the areas of immunology-inflammation and oncology, and continue to apply our platform's capabilities to additional therapeutic areas. Our initial programs include IRAK4, IRAKIMiD, and STAT3. We expect KT-474, a molecule from our IRAK4 program, to begin a Phase 1 trial in the first half of 2021, and degraders from our IRAKIMiD and STAT3 programs to enter the clinic in the second half of 2021.

Our proprietary Pegasus platform enables us to design potent, highly selective molecules that utilize the body's natural E3 ligase-directed protein disposal system called the ubiquitin-proteasome system, or UPS, to target and degrade disease-causing proteins. We believe our platform enables us to discover and develop novel protein degraders that optimize the use of the three essential elements of our small molecule protein degraders: an E3 ligase binding moiety, a target protein binding moiety, and a linker connecting the two. The key components below of our Pegasus platform combine our broad understanding of the localization and expression levels of the hundreds of E3 ligases in the human body with our proprietary E3 Ligase Binders Toolbox, as well as our chemistry, biology, and computational capabilities to develop protein degraders that address significant, unmet medical needs.

- **E3 Ligase Whole-Body Atlas:** We have identified the expression profile of approximately 600 naturally-occurring unique E3 ligases across different tissues. This knowledge enables us to match a target protein with the appropriate E3 ligase based on expression, distribution, intracellular localization, and biology.
- **E3 Ligase Binders Toolbox:** Our E3 Ligase Whole-Body Atlas has allowed us to generate a toolbox of proprietary ligands designed to bind to an expanded library of E3 ligases that we believe will enable us to develop novel small molecule protein degraders with specific degradation profiles.
- **Ternary Complex Modeling:** Our structural biology information, combined with biochemical, biophysical, and computational characterization of ternary complexes is used to prospectively design highly efficient, selective, and potent degraders.
- **Quantitative System Pharmacology Model:** Our understanding of the *in vitro* and *in vivo* pharmacokinetic/pharmacodynamic, or PK/PD, relationships of our degraders across different tissues and cell types has allowed us to build an understanding of the diverse parameters that impact protein levels, and to model these parameters in different species, including humans.
- **Proprietary Chemistry:** Our expertise in proprietary chemistry provides us the opportunity to design degraders with optimized pharmaceutical properties tailored to not only specific diseases but also potentially targeted patient populations.

We are initially developing our IRAK4 program for the treatment of a broad set of immunology-inflammation diseases, including hidradenitis suppurativa, or HS. We have demonstrated through our *in vitro* and *in vivo* studies that KT-474, by degrading and removing the protein and thereby impacting both the kinase and the scaffolding functions of IRAK4, can potently and selectively block interleukin-1 receptors/ toll-like

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receptors, or IL-1/TLR,-mediated inflammation in a way we believe to be superior to what can be achieved with IRAK4 kinase inhibitors. We expect to submit an investigational new drug application, or IND, to the U.S. Food and Drug Administration, or FDA, and to initiate a Phase 1 trial in adult healthy volunteers in the first half of 2021. Our Phase 1 trial will assess the safety and tolerability of KT-474 when orally administered daily at escalating dose levels. We are also developing our IRAKIMiD program for the treatment of MYD88-mutated diffuse large B cell lymphoma, or DLBCL. Our IRAKIMiD molecules combine IRAK4 degradation with the activity of immunomodulatory imide drugs, or IMiDs, in a single synergistic molecule that addresses both the IL-1R/TLR and Type 1 interferon, or IFN, pathways. We are also developing our STAT3 program for the treatment of hematologic malignancies, solid tumors, and autoimmune diseases. Our IRAKIMiD and STAT3 programs are both expected to enter the clinic in the second half of 2021.

Our IRAK4, IRAKIMiD, and STAT3 programs exemplify our focus on addressing high impact targets that have been elusive to conventional modalities and that drive the pathogenesis of multiple serious diseases with significant unmet medical needs. These programs focus on a single critical signaling node within the genetically and clinically validated IL-1R/TLR and JAK/STAT pathways. We believe degrading these targets has the potential to treat multiple immune-inflammatory diseases, hematologic malignancies, and solid tumors. We also have multiple programs in earlier stages of development. Some of the translational hypotheses we are exploring are enabled by selective and/or restricted expression of E3 ligases to increase the therapeutic potential of target biology. We are also exploring targets in multiple other therapeutic areas outside of our core areas of focus through our partnership with Vertex Pharmaceuticals Incorporated, or Vertex.

We are led by an experienced team of dedicated scientists and experts with decades of experience in the foundational areas of targeted protein degradation, or TPD, and drug development, including E3 ligase biology, ternary complex characterization and modeling, chemistry, pharmacology, PK/PD modeling, disease biology, translational medicine, and clinical development. Our internal efforts are complemented by important strategic collaborations, including our agreement with Vertex Pharmaceuticals. Since our inception through March 31, 2020, we have raised over \$250 million in capital, including equity and upfront payments from investors and collaborators. Some of our current investors include our founding investor Atlas Venture, as well as Amgen Ventures, Bain Capital Life Sciences, Bessemer Venture Partners, Blackrock, BVF Partners, Hatteras Venture Partners, Janus Henderson Investors, Lilly Ventures, MRL Ventures Fund (Merck), Pfizer Ventures, Redmile Group, Rock Springs Capital, Sanofi Ventures, 6 Dimensions Capital, Solasta Ventures, Wellington Management, Vertex Pharmaceuticals and a large US-based, healthcare-focused fund.

Our Pipeline

Our internal programs are focused on targets that have not been drugged or that have been inadequately-drugged that are key components of well-validated pathways central to disease pathogenesis across clinical indications in oncology and immunology-inflammation with high unmet needs. We are also exploring targets in other therapeutic areas outside of our core areas of focus through our partnership with Vertex Pharmaceuticals. The following table summarizes our development pipeline:

| Pathway | Program | Indication(s) | Discovery | Pre-Clinical | Clinical | Next Milestone | Rights |
|---------------------|-------------------------------------|---|-----------------|--------------|----------|----------------|------------------|
| IL-1R/ TLR | IRAK4 | HS (Focus), AD, RA, Others | KT-474 | | | Ph1: 1H '21 | KYMERA |
| | | | Next Generation | | | | KYMERA |
| | IRAKIMiD (IRAK4, Ikaros, Aiolos) | MYD-88 ^{WT} DLBCL | | | | Ph1: 2H '21 | KYMERA |
| JAK/ STAT | STAT3 | Liquid, Solid Tumors | | | | Ph1: 2H '21 | KYMERA |
| | STAT3 | Autoimmune, Fibrotic Diseases | | | | | KYMERA |
| Pegasus Platform | Internal | Leveraging the capabilities of our Pegasus platform, we are advancing multiple degrader programs in immunology-inflammation and genetically defined oncology indications | | | | | KYMERA |
| | Partnered | Our strategic collaboration with Vertex is focused on the research and development of degraders against at least 6 targets in disease areas outside of our core strategic focus of immunology-inflammation and oncology | | | | | KYMERA VERTEX |

● Oncology ● Immunology-Inflammation

Our Strategy

Our mission is to discover, develop and commercialize novel and transformative therapies that improve the lives of patients with serious diseases, and we are committed to selection of targets that enable a broad impact across multiple clinical indications with high unmet medical need. We believe the unique discovery capabilities of our Pegasus platform will position us to be a leader in the area of targeted protein degradation. Our goal is to become a fully integrated biopharmaceutical company with a pipeline of novel therapeutics targeting disease-causing proteins that were previously intractable. We intend to achieve this goal by pursuing the strategic objectives set forth below.

- **Advance the development of our IRAK4, IRAKIMiD, and STAT3 programs to deliver transformative therapies to patients.** We maintain a core set of drug development principles which guide our protein target selection and our discovery and development efforts. We are specifically focused on delivering therapeutic solutions that reach previously inaccessible targets, in particular those in which the biological pathways are clinically and genetically well-validated, in order to address significant unmet medical needs within broad patient populations. We believe our IRAK4, IRAKIMiD, and STAT3 programs have the potential to treat multiple immune-inflammatory and oncology disease indications that fit these criteria. We expect to initiate a Phase 1 trial for KT-474, our IRAK4 program, in the first half of 2021 and enter the clinic with our IRAKIMiD and STAT3 programs in the second half of 2021.
- **Further expand the capabilities of our Pegasus platform to identify the optimal pairing of protein degraders with E3 ligases for a range of disease states.** Our TPD platform, Pegasus, enables us to identify an expanded library of E3 ligases to discover highly selective degraders with potent activity against disease causing proteins throughout the body. Pegasus has the potential to help us better

understand not only the optimal pairing of disease-causing protein targets with E3 ligases, but also the degradation profiles across different cell types and tissues, further enabling us to convert our differentiated E3 binders into novel degraders. We believe our ability to identify and utilize previously unliganded E3 ligases, particularly those with selective or restricted expression, may unlock new opportunities across broad therapeutic applications.

- **Continue to build a broad and diverse pipeline of novel protein degraders.** Guided by our drug development principles and the learnings from our IRAK4, IRAKIMiD, and STAT3 programs, we intend to continue to identify therapeutic targets that have disruptive therapeutic potential and are predicted to be well-suited for a TPD approach. Given the unique genetic profiles in some of the patient populations that we aim to serve, we plan to continue to leverage a precision medicine approach to help identify patients with the highest probability of responding to our degrader drug candidates. The capabilities of our discovery platform, including our expanded toolbox that includes E3 ligases beyond the currently used cereblon and von Hippel-Lindau, or VHL, enable us to pursue targets linked to a wider range of indications.
- **Expand and protect our proprietary know-how and intellectual property.** We have developed a broad patent estate protecting our intellectual property, which we intend to expand to further protect our Pegasus platform and the drug candidates we develop. Our intellectual property, which includes proprietary know-how as well as a series of patents, applies to not only our invented compounds but also to our E3 Ligase Whole-Body Atlas and our E3 Ligase Binders Toolbox.
- **Pursue synergistic collaboration opportunities.** To further our goal of delivering transformative therapies to the broadest possible patient population, we intend to become a fully integrated biopharmaceutical company. As part of this plan, in addition to our ongoing collaboration with Vertex Pharmaceuticals, Inc., we expect to leverage additional strategic partnerships that can contribute complementary capabilities in discovery, development and commercialization in disease areas both within and outside of our core areas of therapeutic focus.

Background of Targeted Protein Degradation

Proteins are responsible for the structure, function and regulation of tissues and organs. Cells in the body continuously synthesize and degrade proteins, maintaining an equilibrium called protein homeostasis. Most diseases are the result of aberrant protein behavior driven by activation, mutation, or downregulation of the protein itself, or by the gene responsible for the transcription and translation of that particular protein. With a deepened molecular understanding of various diseases and the characterization of the full human genome, research efforts have increasingly focused on the development of medicines to address malfunctioning proteins responsible for oncologic, auto-immune, cardio-metabolic, neurodegenerative, and rare genetic diseases.

The ‘druggable’ genome challenge

Several therapeutic modalities have been developed over the years to address aberrant protein activity. These have included small molecule inhibitors of protein function, therapeutic antibodies, oligo-based therapeutics such as RNA interference therapeutics, antisense oligonucleotides, or ASO, and other genetic therapies.

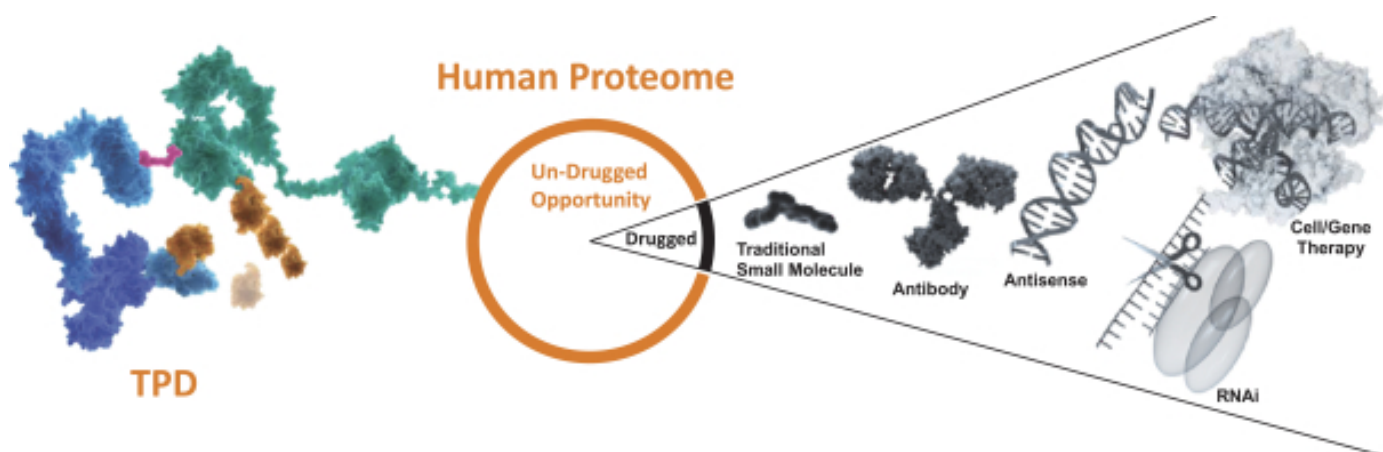
Some of these modalities have had a tremendous impact on the treatment of diseases and quality of life of patients, and several others, while earlier stage, offer potential. However, these traditional modalities face specific challenges that limit their therapeutic impact and reach. Some of the limitations of existing modalities include the following:

- **Traditional small molecule therapeutics** are unable to block the function of proteins without a catalytic or substrate binding site and cannot block proteins with dual function, as such are not effective against transcription factors, scaffolding and adaptor proteins, many of which play a key role in certain diseases.

- **Therapeutic antibodies** are generally too large to penetrate cells and are therefore typically limited to protein targets that are extracellular, or outside of the cell, whereas most proteins are inside the cell. They also have to be dosed parenterally and can be costly and complex to develop and manufacture.
- **Oligo-based therapeutics** are capable of drugging proteins elusive to small molecules in some cases but have significant drug delivery challenges with dosing and in achieving systemic distribution, greatly limiting the breadth of diseases they are able to address effectively. These therapeutics can also be costly and complex to develop and manufacture.

As a result of these limitations, we believe that only 20% of the full human genome has been effectively drugged to date. New therapeutic modalities which can overcome some of these challenges are necessary to expand the drugged proteome/genome and provide new efficacious medicines to patients in need. We believe that targeted protein degradation is such a modality.

Figure 1. Expanding the Druggable Human Proteome.



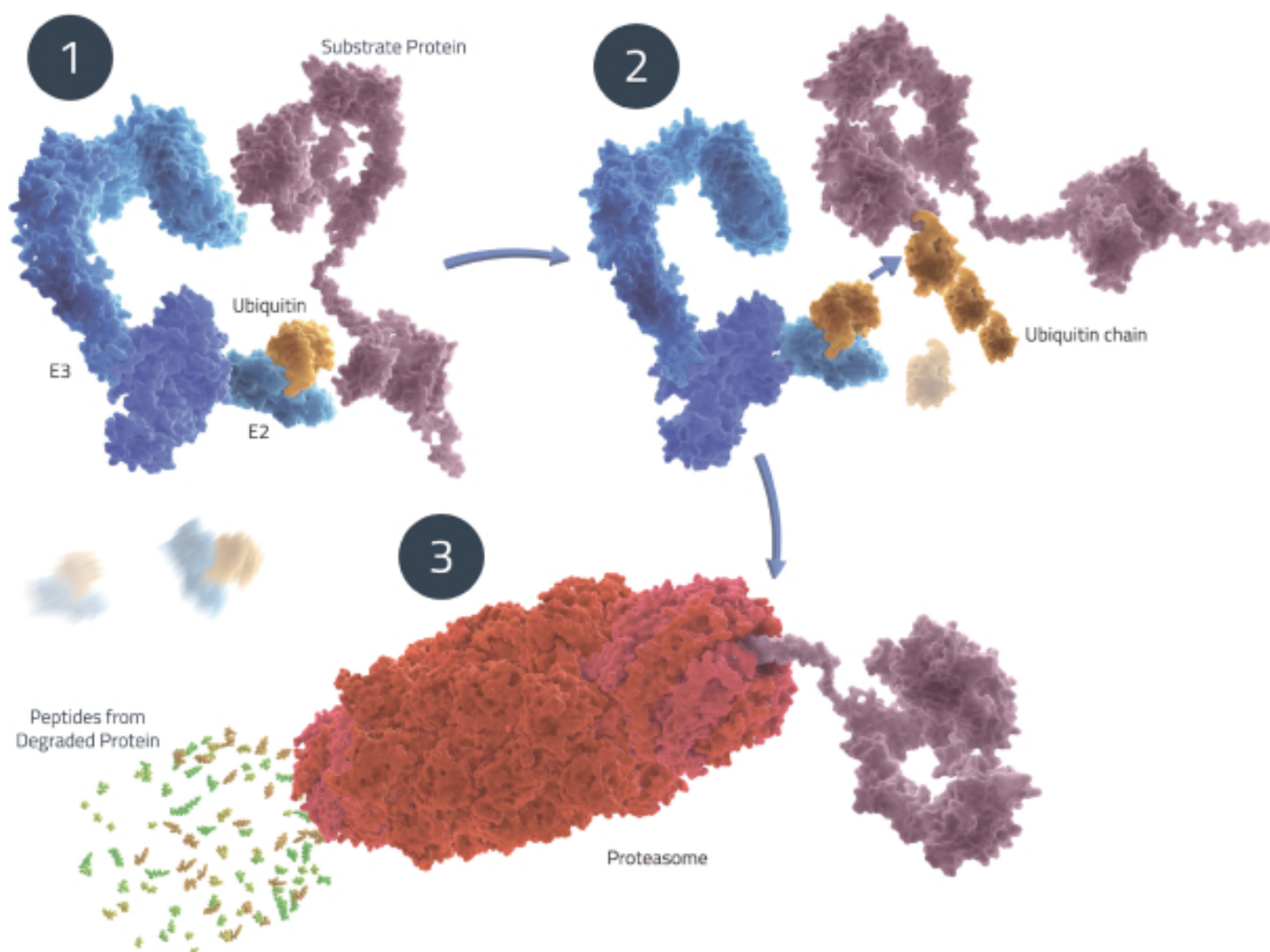
Targeted Protein Degradation

One of the methods that cells use to control the balance between the synthesis of new proteins and the degradation and disposal of damaged and/or misfolded proteins, is the UPS. The discovery of ubiquitin-mediated protein degradation provided important insights into specific processes like cellular division and DNA repair and led to the discovery of UPS' critical roles in various cellular pathways, including the cell cycle, signaling pathways, the regulation of gene expression, and responses to oxidative stress. The discovery of the UPS also revealed a new modality to harness this cellular process for the treatment of diseases.

The UPS comprises a series of finely orchestrated enzymatic sequences that ultimately lead to protein polyubiquitination and degradation by the proteasome in cells. Protein ubiquitination is a cellular process involving an enzymatic cascade consisting of ubiquitin-activating enzymes (E1), ubiquitin-conjugating enzymes (E2), and ubiquitin-protein ligases (E3). In humans, there are two classes of ubiquitin activating E1 enzymes, more than 30 E2 enzymes, and approximately 600 E3 ligases.

As illustrated in the figure below, the E3/E2/ubiquitin ligase complex (shown in blue) binds to a substrate protein (shown in purple) to mediate the transfer of ubiquitin, which leads to degradation of the target protein through the proteasome.

Figure 2. Natural Protein Degradation Through Ubiquitin-Proteasome System.

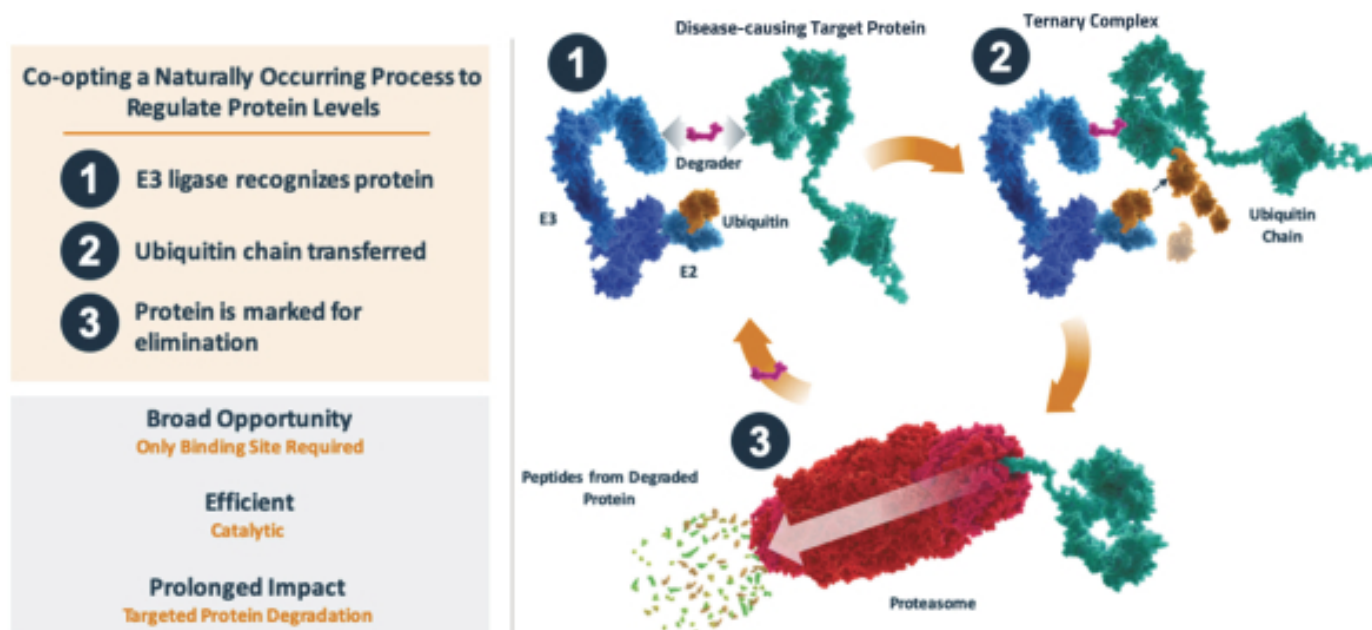


Targeted protein degradation is a new modality that co-opts this innate cellular process. The core of the TPD modality consists of a small molecule (shown in magenta in the figure below) that we refer to as a heterobifunctional degrader. The role of this heterobifunctional degrader molecule is to mediate a “new” interaction through the formation of a ternary complex between a disease-causing protein and an E3 ligase. The E3 ligase tags the protein target for degradation by attaching a series of ubiquitin, and the proteasome recognizes the tagged protein and degrades it into small peptides.

Forming an efficient ternary complex, as shown in step 2 in the figure below, is a critical step in TPD, and its formation, function, and effect on cellular and *in vivo* systems is vital to the success of the degradation and its impact on disease. In addition, the degrader molecule needs to be able to effect degradation in a variety of different cell types and contexts and have the right pharmaceutical properties to be therapeutically dosed to patients.

As shown in the figure below, after the degrader facilitates the ubiquitination of the target protein, and as the protein is degraded by the proteasome, the molecule separates from the protein, and is able to form another ternary complex to conduct the degradation process again. This iterative mechanism is catalytic, which results in increased potency even at lower concentrations, another key differentiator from other modalities such as small molecule inhibitors and therapeutic antibodies.

Figure 3. Overview of Targeted Protein Degradation.



Due to the unique advantages of targeted protein degradation, this transformative modality is capable of targeting proteins traditionally undrugged by small molecules. Specifically, TPD can target proteins without a catalytic function such as scaffolding proteins and transcription factors, with small molecule-like drug properties that can potentially be dosed orally and distributed systemically unlike oligo-based therapeutics such as RNAi's. TPD molecules also are amenable to existing small molecule manufacturing principles which are less costly than other therapeutic modalities. Because of the catalytic nature of the degradation process, we believe the modality has the potential to be therapeutically effective with smaller amounts of drug substance and less frequent dosing than traditional therapeutics.

The use of small molecules to affect protein homeostasis has been clinically and commercially validated by multiple drugs over the past two decades. Drugs such as bortezomib and fulvestrant have been understood to inhibit the proteasome and target the receptor for proteasome-dependent degradation, respectively. More recently, immunomodulatory imide drugs such as lenalidomide and pomalidomide have been understood on a post-hoc basis to direct the degradation of a series of transcription factors via the UPS.

These immunomodulatory drugs have validated the concept of using the UPS to degrade proteins and elicit a pharmacological and therapeutic effect in disease settings. However, unlike earlier approaches in this field, TPD takes this proven concept further to prospectively target the degradation of a wider range of proteins through the rational design of heterobifunctional degraders which coordinate the discreet binding of target proteins and E3 ligases to drive the desired protein degradation.

Currently, the field of TPD has largely been focused on the generation of heterobifunctional small molecule degraders against various targets by using the generally well-characterized E3 ligases, cereblon and VHL. Heterobifunctional degraders targeting either the androgen receptor or estrogen receptor for the treatment of castration-resistant prostate cancer or advanced breast cancer, respectively, are currently in Phase 1 clinical

testing. Both degrader compounds are oral drugs administered daily with early signs of acceptable pharmacokinetics and safety and, in the case of the androgen receptor degrader, preliminary evidence of tumor growth inhibition.

An important factor for the efficiency of a degrader is the specificity and affinity to the targeted E3 ligase. The various E3 ligases have different distribution and cellular localization profiles that are important factors when considering which E3 ligase to use for a particular disease protein target. There are approximately 600 E3 ligases that occur in nature, but to date only a handful of these E3 ligases have been evaluated for therapeutic purposes, leaving a substantial portion of the genome available for targeting.

Our Pegasus Platform

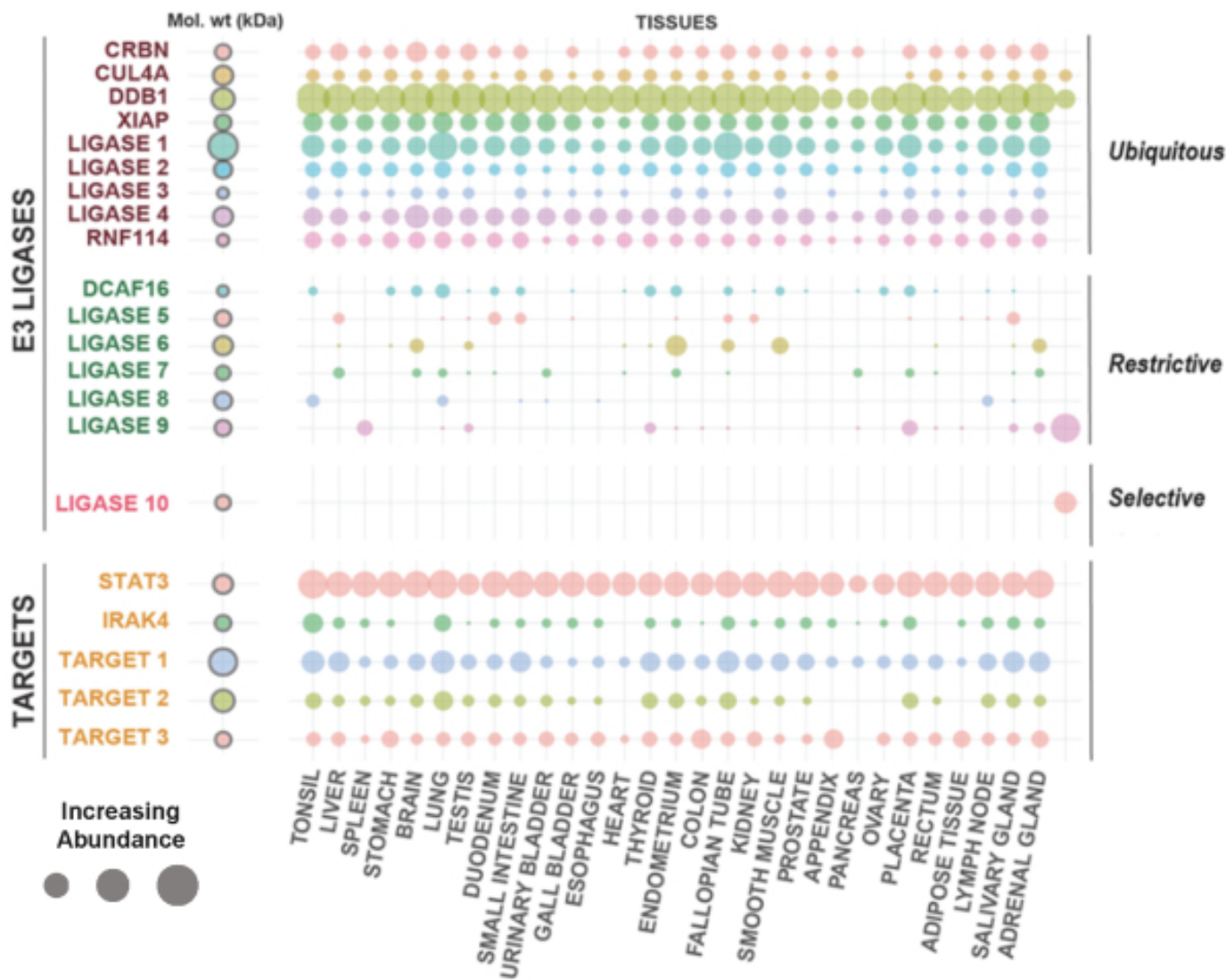
We built Pegasus, our proprietary TPD platform, to serve as an effective drug discovery and development engine leveraging our proprietary expertise and knowledge, as well as numerous chemistry, biology and computational capabilities. Our platform allows us to discover potent and highly selective degraders by matching the right target with the ideal E3 ligase and optimizing molecular properties in order to increase the likelihood of therapeutic success for a particular disease state. Pegasus also allows us to design potent and specific degraders with the appropriate pharmaceutical properties through our ability to study and model ternary complexes. We believe our understanding of degradation profiles across multiple tissues and cell types in different species increases the probability of clinical translation success. We believe our TPD platform is an engine for innovation, allowing us to expand the druggable proteome and thereby access critical disease pathway nodes that have to date been considered either undruggable or inadequately addressed with conventional modalities. Our capabilities have been developed through the key features of our Pegasus platform, which include the following:

- **E3 Ligase Whole-Body Atlas**
- **E3 Ligase Binders Toolbox**
- **Ternary Complex Modeling**
- **Quantitative System Pharmacology Model**
- **Proprietary Chemistry**

E3 Ligase Whole-Body Atlas. We have developed a proprietary human whole body E3 Atlas for mapping expression patterns of all known human E3 ligases in both disease and healthy contexts by combining the power of quantitative, high-resolution proteomics with proprietary algorithms. We are refining the characterization of the expression profiles in healthy and diseased tissues of generally well-established liganded E3 ligases like cereblon and VHL and, more importantly, of the approximately 600 naturally-occurring E3 ligases, most of which are still unliganded. We are establishing subcellular localization indices for each E3 ligase and determining their absolute abundances. We believe our approach overcomes the limitations of relying on publicly available RNA or antibody-based protein expression datasets, which often lead to inaccuracies in determining relative E3 ligase expression levels in different biological contexts.

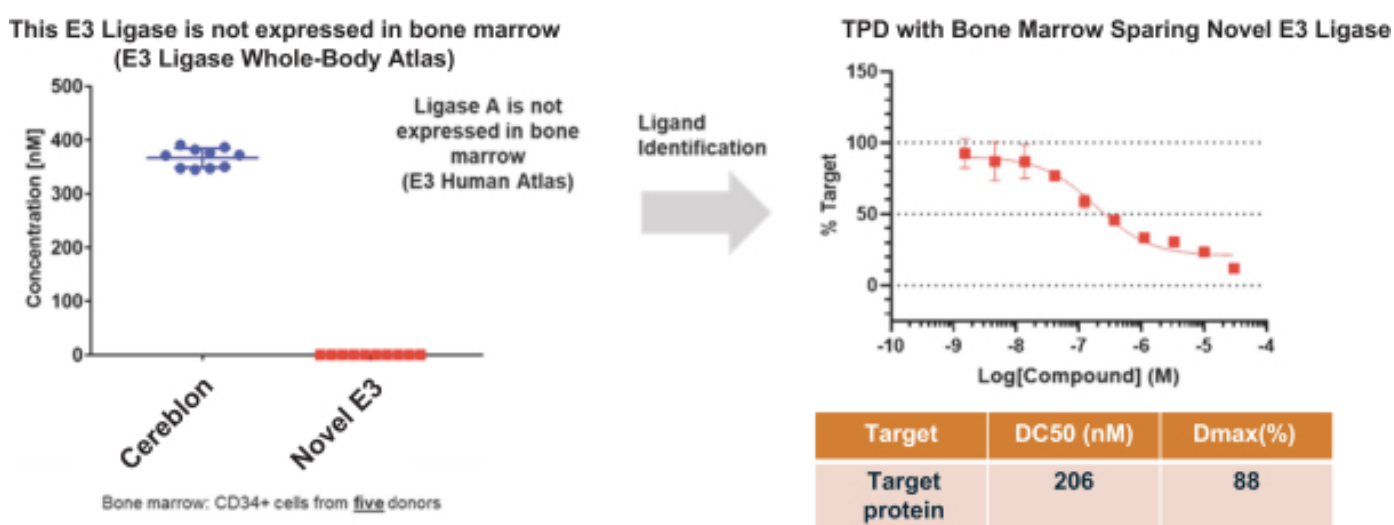
Our proprietary E3 Ligase Whole-Body Atlas enables data-driven disease-selective protein degradation strategies based on all of the mapped E3 ligases, which we view as a paradigm shift from relying on the limited number of E3 ligases typically exploited for TPD and provide us with a distinct competitive advantage. Using comparative analyses of expression patterns, we can identify selective pairings of E3 ligases with therapeutic targets of interest, including tissue-selective or tissue-restrictive pairings. We believe this approach is central to building out a toolbox of differentiated E3 ligase binders. Furthermore, we are able to use our custom-built Quantitative Systems Pharmacology Models in combination with proprietary data on the absolute abundance of E3 ligases and targets to predict cellular efficacy. The graph below shows an example of diverse expression profiles, using circle size as a relative abundance measure, for E3 ligases and selected targets across a panel of healthy tissues (on the x-axis), taken from our proprietary E3 Ligase Whole-Body Atlas.

Figure 4. Example of Diverse Expression Profiles for Selected Targets and E3 Ligases Across a Panel of Healthy Tissues, Taken from Our Proprietary E3 Ligase Whole-Body Atlas.



E3 Ligase Binders Toolbox. Leveraging the knowledge generated by our E3 Ligase Whole-Body Atlas, we are building a proprietary toolbox of differentiated E3 ligase binders for the development of next-generation targets and disease-specific degraders. We are focused on building an expanded library of E3 ligases and novel ligands with differentiated expression profiles in order to selectively pair them with targets in specific tissues, cell types and subcellular compartments. We believe that this approach to degrader design will lead to more selective and potent target degradation in disease contexts, while avoiding target degradation in tissues associated with known toxicities, which we believe will lead to a substantially improved overall safety profile for our degrader molecules. For example, as shown in the figure below, using the E3 Ligase Whole-Body Atlas we identified a novel bone-marrow sparing E3 ligase, which has been successfully liganded and used to degrade a target protein.

Figure 5. Identification and Activity of a Tissue-restrictive Novel E3 Ligase.

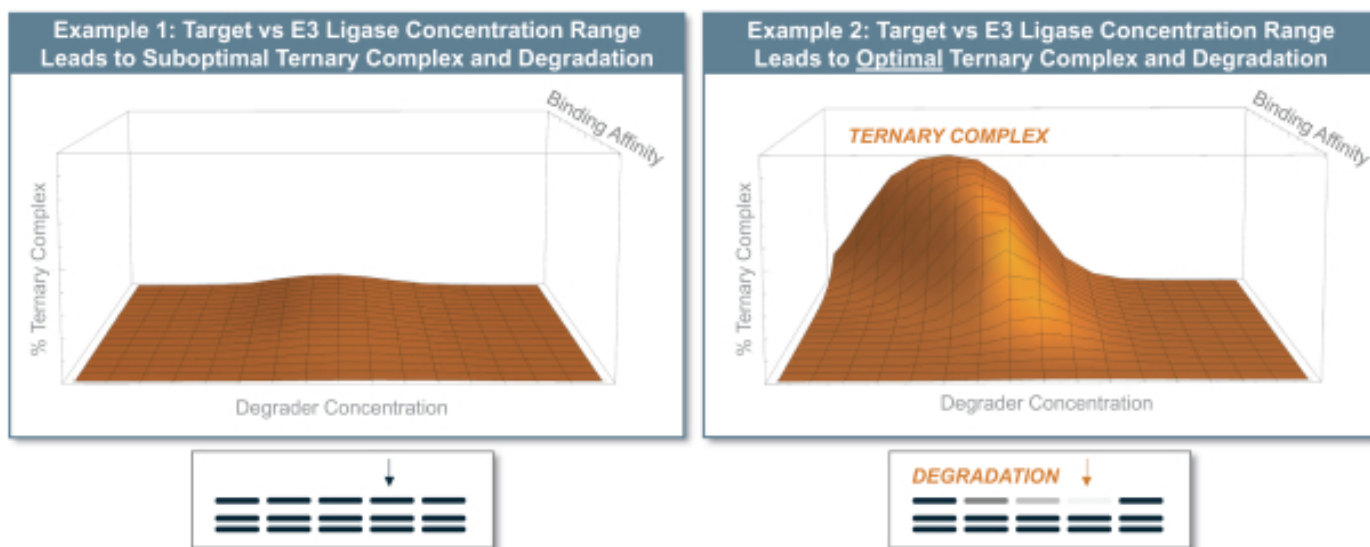


Through our knowledge of E3 ligases and proprietary data on expression profiling, we believe we are uniquely positioned to identify both differentiated and ligandable E3 ligases that can be deployed against multiple targets, spanning broad therapeutic areas.

Ternary Complex Modeling. We believe that the understanding of the activity of the ternary complex is critical to the optimization and development of our degrader therapeutics. Ternary complexes are formed when a degrader binds to both an E3 ligase and the protein of interest. We characterize this interaction with both structural biology and biophysical techniques and utilize a sophisticated, structure-based approach to modeling. Our proprietary approach is tailored to the unique features of heterobifunctional degraders, which, unlike small-molecule inhibitors, facilitates proximity-based engagement of an E3 ligase with a target protein. Design of degraders requires consideration of both the length and composition of the linker, which can have a significant impact on the formation of the ternary complex and ultimately the efficiency of the degradation. We have developed and fully integrated into our discovery platform an efficient and powerful Ternary Complex Modeling, or TCM, method. The TCM method combines computational evaluation of tens of millions of potential protein-protein complexes, leveraging cloud computing resources, with statistical analyses to establish optimal linker lengths and geometry and to predict key aspects of target/degrader/E3 ligase ternary complexes. Our approach allows for rapid design of degraders, which in combination with design-build-test cycles, allows us to optimize the potency of our degraders by identifying key interactions and geometric constraints.

Quantitative Systems Pharmacology Model. Our proprietary Quantitative Systems Pharmacology, or QSP, model helps solve the complex equations required in TPD to accurately translate PK/PD into optimal human dosing. Our QSP model enables us to refine the understanding of each parameter that impacts the protein degradation profiles of degraders in tissues and then predict these varying parameters in different contexts. These parameters can include the affinity of binding to proteins and E3 ligases, ternary complex kinetics, protein half-life, target protein and E3 ligase concentrations. Using data from our proprietary E3 Ligase Whole-Body Atlas, combined with relevant biochemical and cellular degradation assays, we deploy the model to enhance optimal target and E3 ligase selection. As illustrated in the figure below, QSP modeling is able to predict how the relative concentrations of the E3 ligase and the target protein impact the maximal degree of degradation and can be used to exclude E3 ligases whose concentration in target tissues may be insufficient to achieve the desired level of degradation. Our model is able to predict the impact of differential targeting versus E3 ligase expression profiles on degradation efficiencies. In fact, the example below shows two different ternary complex prediction curves based on differential expression of E3 ligases as compared to the same target protein. These insights are taken into consideration in the selection of the optimal E3 ligase for the target of interest to achieve the desired degradation profile whether it is systemic or restricted degradation across different cell types.

Figure 6. QSP Modeling to Achieve the Desired Degradation Profile.



Proprietary Chemistry. We are leveraging our experienced team of dedicated scientists and experts with decades of experience in chemistry, structural biology and computational chemistry to optimize both E3 binders and target protein binders to convert them into potent and highly selective degraders. We deploy diverse compound and virtual libraries for identification of starting ligands that bind to both the E3 ligase of interest and target. Our curated libraries include compounds with preferred physicochemical properties conducive to achieving oral bioavailability, and incorporate both covalent and non-covalent chemical scaffolds, as well as DNA-encoded libraries. We deploy direct-affinity assays and bead-based separation for fragment-based and DNA-encoded library screening. Computational chemistry is used to find suitable binding pockets to enable virtual screening. These *in silico* exercises rely upon structural biology, and together enable structure-based drug discovery. To support rapid synthesis of degrader molecules, we have built our own readily accessible and diverse library of linkers to connect binders to the E3 ligase and the target. We then integrate our TCM capabilities with proprietary linker chemistry to enable rational degrader design and optimization, reducing the time to development of potent and highly selective degraders with the pharmaceutical properties tailored to specific patient populations and diseases. In this way, we were able to develop second-generation molecules with significantly improved permeability and bioavailability while sustaining the strong degrader potency exhibited in our first-generation molecules. As shown in the table below, medicinal chemistry optimization of IRAK4 degraders improved physicochemical, drug metabolism, and pharmacokinetic parameters, resulting in a compound with improved drug-like properties.

Figure 7. Medicinal Chemistry Optimization of Key Parameters to Improve Drug-Like Properties.

| Characteristic | Metric | Compound A (1 st Generation) | ➔ | Compound B (2 nd Generation) |
|---------------------------------|--|--|---|--|
| Potency | Whole Blood IRAK4 DC ₅₀ (nM) | 280 | | 17 |
| Human <i>in vitro</i> clearance | HLM (μL/min/mg) | 96 | | 3 |
| Membrane permeability | Permeability (A/B; x10 ⁻⁶ cm/s) | 0.4 | | 4.4 |
| <i>In vivo</i> clearance | Mouse CL (mL/min/kg) | 177 | | 15 |
| Bioavailability | Mouse PO PK (%F) | 0 | | 40 |

Metric Legend Worse Better

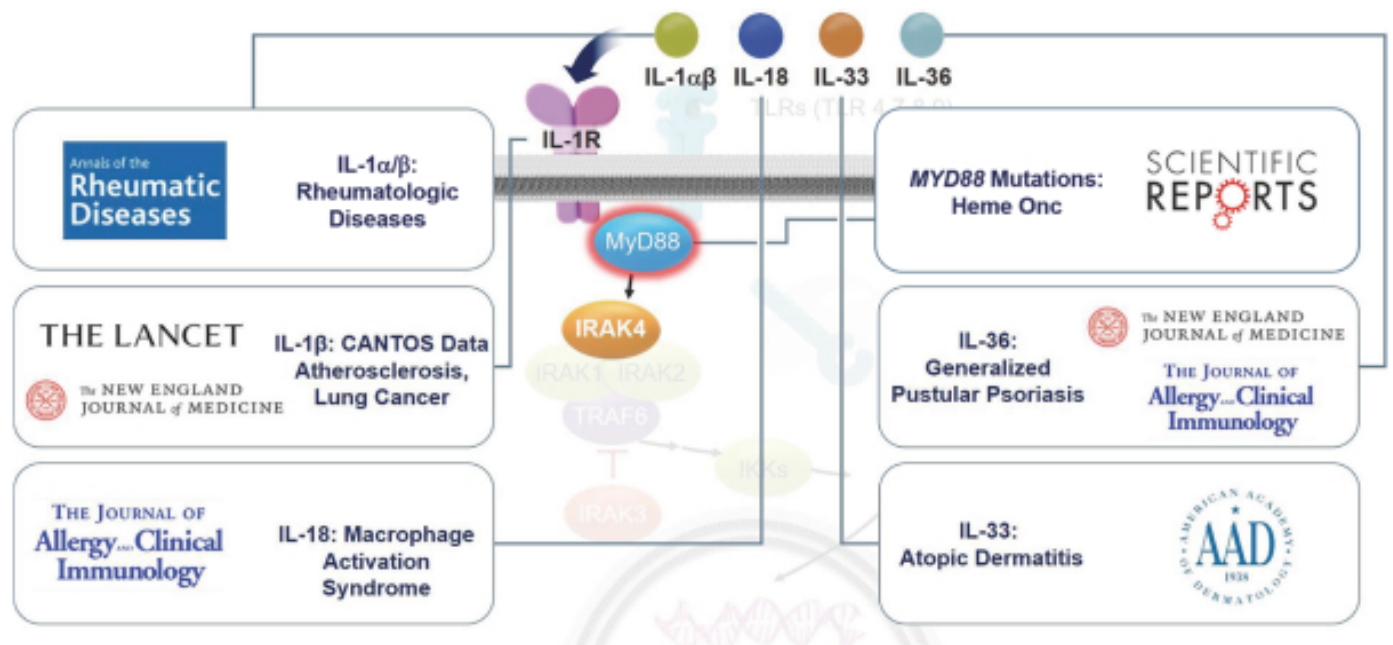
Our Programs

Target Selection

As an organization dedicated to improving the lives of patients with serious diseases, we are committed to the selection of targets that enable a broad impact across multiple clinical indications with high unmet medical need. In order to reduce the risk in our drug development, we prioritize genetically and clinically validated biological pathways known to play a key role in disease pathogenesis. Within these pathways, we focus on undrugged or inadequately drugged targets where we believe TPD can provide a transformative therapeutic solution. Especially in oncology, we intend to select targets that enable a genetically driven patient selection strategy in order to increase the probability of clinical success. We believe the ability to develop small molecule degraders using tissue-restricted and/or tissue-selective E3 ligases when preferable also enables us to unlock the biologic potential of targets that could not be adequately drugged with current therapeutic approaches.

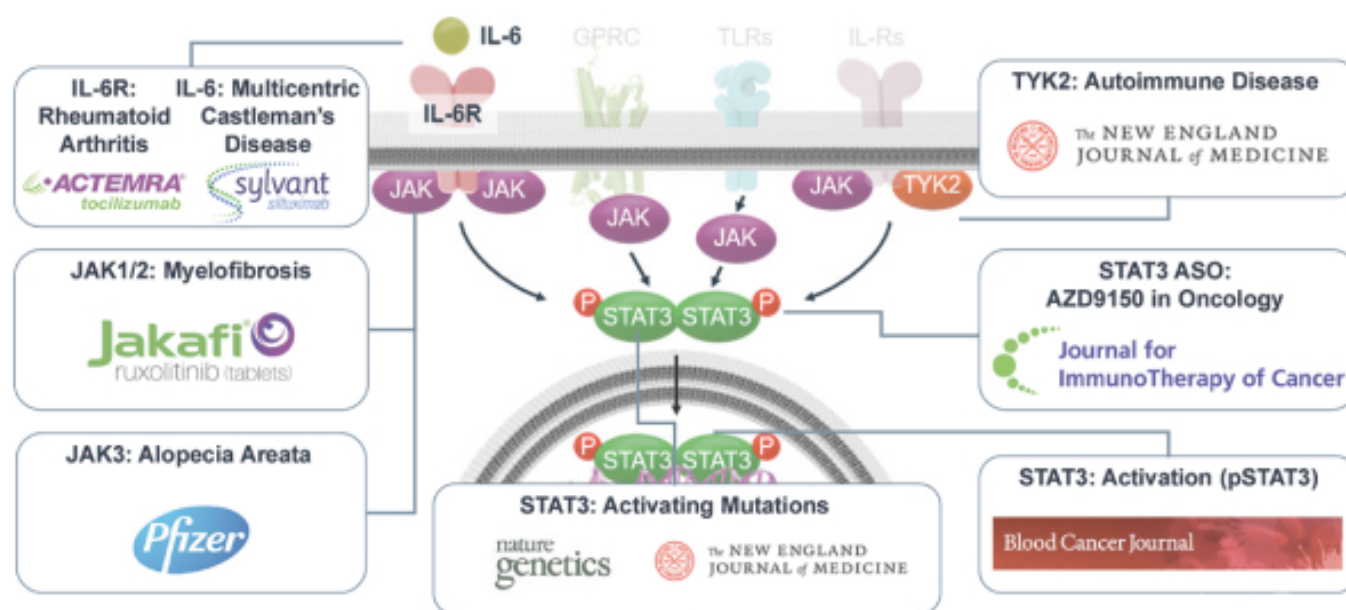
We are initially focused on the IL-1R/TLR pathway and the JAK-STAT pathway, both of which have been clinically and commercially validated by several drugs in oncology, immunology, and inflammation. In particular, the role of the IL-1R/TLR pathway has been demonstrated in several inflammatory and autoimmune diseases, including atopic dermatitis, or AD, HS, macrophage activation syndrome, general pustular psoriasis, and rheumatoid arthritis, or RA. This pathway also has been shown to play a role in cardiovascular disease (atherosclerosis) and cancer (lymphomas and lung cancer). All of these diseases have been impacted by monoclonal antibodies targeting several IL-1 family cytokines: IL-1, IL-18, IL-36, and IL-33. Despite significant drug discovery efforts over the last two decades, there remains a need for a small molecule solution to effectively drug this pathway intracellularly in order to provide an improved therapeutic effect over single cytokine blockers with the convenience of an oral pill. Small molecule kinase domain inhibitors of the scaffolding kinase IRAK4, a protein directly downstream of the IL-1 and TLR receptors, have been the closest to date to achieving this goal. However, while these compounds have been effective at blocking this pathway, they are only able to block the kinase function of IRAK4 but not the scaffolding function, which regulates the stability and activity of the IL-1R/TLR dependent MYD88 complex. We believe TPD is well-suited to address this pathway as it offers the potential to degrade IRAK4, thereby addressing both the scaffolding and kinase functions, which fully blocks the signaling pathways dependent on the IL-1 and TLR receptor. We believe that our TPD approach provides the potential to impact a wide variety of diseases associated with this pathway with a daily oral small molecule.

Figure 8. IL-1R/TLR Pathway—IRAK4.



Likewise, the JAK-STAT pathway has been well validated by several small molecule inhibitors targeting the JAK kinase family and therapeutic antibodies blocking the IL-6 cytokine in cancer and inflammatory diseases. One of the key nodes of this pathway is a transcription factor, STAT3, that is responsible for downstream gene transcription of several disease-relevant proteins in cancer and immunology, including several clinically validated cytokines. There are several thousand publications on the role of STAT3 in these diseases and STAT3 has been the subject of several drug discovery programs over the past 20 years. However, due to the limitations of other modalities, STAT3, an intracellular transcription factor, has not been effectively drugged to date. We believe that TPD can provide a transformative, technological solution and help unlock this powerful biology to treat patients across a wide variety of diseases, including cancer, immunology, and fibrosis.

Figure 9. JAK/STAT Pathway—STAT3.



IRAK4 Degradar for IL-1R/TLR-driven Immunology-inflammation Diseases

Summary

We are developing KT-474, a potent, highly selective, orally bioavailable IRAK4 degrader, for the treatment of IL-1R/TLR-driven immunoinflammatory conditions and diseases with high unmet medical need, including HS, our indication of focus, as well as AD and RA. We have chosen to pursue IRAK4 degradation due to the well-validated role of the IL-1R/TLR pathway in immunology and inflammation and the potential advantage that drugging a single node of multiple different mediators of inflammation has over other approaches focused on targeting one of many cytokines that stimulate the IRAK4 node. IRAK4 is a critical node in the IL-1R/TLR signaling pathway, which is dependent on both IRAK4's kinase activity and scaffolding function. We have demonstrated through our *in vitro* and *in vivo* studies that KT-474 induces IRAK4 degradation, impacting both the kinase and the scaffolding functions, and therefore can potently and selectively block IL-1R/TLR-mediated inflammation in a way we believe to be superior to IRAK4 kinase inhibitors. We therefore believe KT-474 has the potential to improve outcomes over current treatment options as well as other drugs currently in development. We expect to submit an IND to the FDA and to initiate a Phase 1 trial in adult healthy volunteers in the first half of 2021.

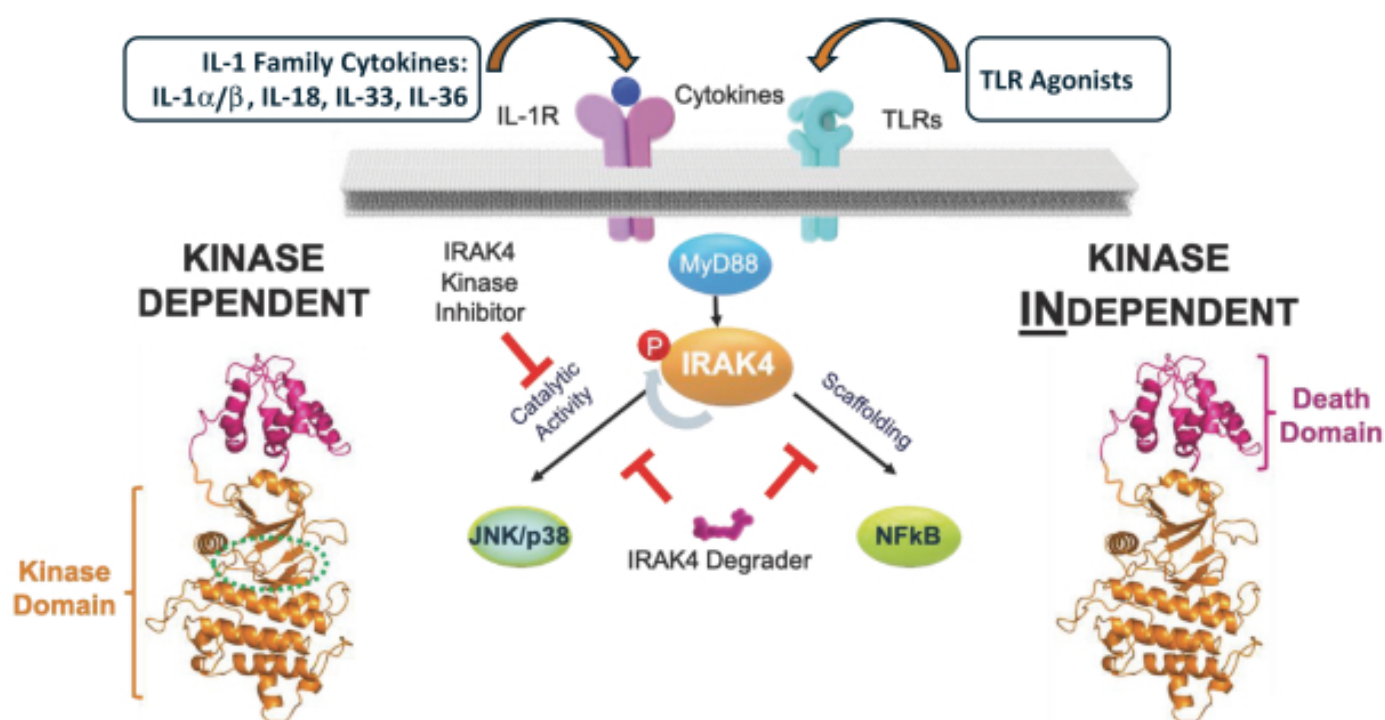
Biology and Mechanism of Action of IRAK4 Degradar

IRAK4 is a key component of the myddosome, a multiprotein complex involved in innate immunity that mediates signaling through TLRs and IL-1Rs. The IRAK4 protein is ubiquitously expressed across multiple different tissue types, including skin, lymphoid tissue, bone marrow, gastrointestinal tract, and lung.

The function of IRAK4 is dependent both on its kinase activity and on its scaffolding function, which are required for the assembly of the myddosome complex following TLR or IL-1R engagement and MYD88 activation. While the kinase function is primarily responsible for the phosphorylation events in the IRAK4-JNK axis, the scaffolding function is primarily responsible for the NF- κ B activation and downstream gene transcription of several key pro-inflammatory cytokines and chemokines.

We believe IRAK4 degradation is superior to IRAK4 kinase inhibition as our preclinical data suggests that it is critical to block both the kinase activity and scaffolding functions of the IRAK4 protein, which requires removal, as opposed to just inhibition, of the protein. IL-1 family cytokines, including IL-1 α , IL-1 β , IL-18, IL-36, and IL-33, have been implicated in a variety of different immunology-inflammation conditions and diseases. As both TLRs and IL-1Rs are involved in the production and response to all of these IL-1 family cytokines, IRAK4 targeting with a single small molecule degrader could impact multiple different cytokines and chemokines and thereby provide a transformative approach to the treatment of IL-1R/TLR-driven diseases.

Figure 10. IRAK4 Function is Comprised of Both Kinase-Dependent and -Independent Activity.



Development Opportunities and Differentiation from IL-1 Family Cytokine Antibodies

There are numerous cutaneous, rheumatic and gastrointestinal immunology-inflammation disease indications for which pathogenesis involves IL-1 family cytokines as well as TLR stimulation. These present opportunities where we believe a potent and highly selective IRAK4 degrader would provide significant advantages over both currently approved treatment options and those in clinical development. We are initially prioritizing indications such as HS, AD, and RA where there is clinical proof of concept for targeting cytokines impacted by the IL-1R/TLR pathway but for which there continues to be a high level of unmet need.

Hidradenitis Suppurativa

HS is a chronic, destructive, painful and debilitating inflammatory skin disease affecting up to 1% of both the U.S. and global population. Patients with HS have numerous painful, draining nodules and abscesses, usually within skin folds, that are characterized by inflammation and bacterial colonization. Currently HS is treated symptomatically with corticosteroids, antibiotics and surgery. The only FDA-approved treatment for HS is the

anti-TNF antibody adalimumab, which provides some benefit to approximately 50% of patients with moderate-to-severe disease but is not curative. Thus, there remains a high unmet need for better therapies for the treatment of HS.

Bacterial activation of TLRs, as well as the production of IL-1 α , IL-1 β , and IL-36 by keratinocytes and inflammatory cells leading to inflammation characterized by high levels of TNF- α , IL-6, and IL-17, are central to the pathogenesis of HS. Monoclonal antibodies targeting individual cytokines such as IL-1 α (bermekimab), IL-1 α/β receptor (anakinra), and IL-17 (secukinumab and bimekizumab) have shown preliminary clinical activity in HS and provide clinical validation for targeting the IL-1R/TLR pathway in HS. As such, an IRAK4 degrader which acts on multiple cytokines as well as TLRs has the potential to offer a significant advantage over the single-cytokine-targeting agents currently being developed.

Atopic Dermatitis

AD is a chronic, pruritic inflammatory skin disease that occurs most frequently in children but also affects adults. In the U.S., the prevalence of AD is approximately seven to ten percent. AD follows a chronic relapsing course over months to years, with dry skin and severe pruritus as the primary symptoms, sometimes accompanied by skin thickening from chronic scratching and fissuring. AD is treated symptomatically with topical therapies, including emollients, corticosteroids, and phosphodiesterase inhibitors. The lone FDA-approved systemic treatment is the IL-4R α targeting antibody dupilumab, though only approximately 40% of moderate-to-severe disease patients met the primary endpoint in its Phase 3 trials, leaving a significant percentage of patients who are currently underserved.

Furthermore, there is evidence that IL-33 and IL-1 are both involved in the generation of inflammation in both AD and other allergic diseases, including eosinophilic asthma and chronic rhinosinusitis. Single-cytokine-targeting monoclonal antibodies against IL-33 (etokimab) and IL-1 α (bermekimab) have shown preliminary clinical activity in AD. Thus, the ability of an IRAK4 degrader to impact the production of both IL-33 and IL-1, through complete TLR signaling blockade, and the cellular response to both cytokines, through complete IL-1R signaling blockade, provides a compelling mechanistic rationale for development in AD.

Rheumatoid Arthritis

RA is the most common inflammatory arthritis, affecting approximately 0.5% of the U.S. population. The synovial inflammation characteristic of RA is driven by Th1 and Th17 immune responses with production of TNF- α and IL-1 family cytokines, including IL-1, IL-18 and IL-33, IL-6 and IL-17. Multiple therapies targeting the IL-1R/TLR pathway are approved for RA, and recently an IRAK4 kinase inhibitor (PF-06650833) has shown clinical activity comparable to the JAK inhibitor tofacitinib and a favorable safety profile in a randomized, placebo-controlled Phase 2b study in RA patients with inadequate response to methotrexate. Based on these early signs of activation, we believe a degrader-based approach which impacts both the kinase activity and the scaffolding function of IRAK4 may have the potential for a more transformative effect on the disease.

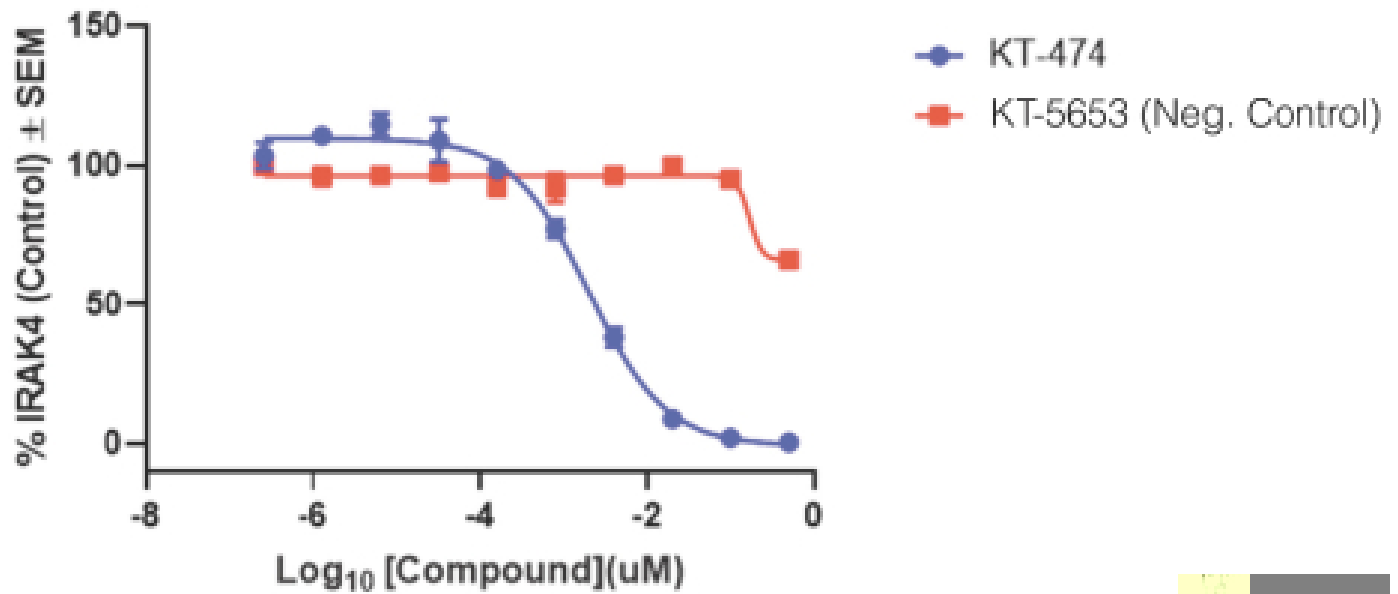
Preclinical Studies and Data

In support of our IND-enabling studies, we have demonstrated KT-474's high potency, selectivity and therapeutic potential both *in vitro* and *in vivo* studies.

In Vitro Data

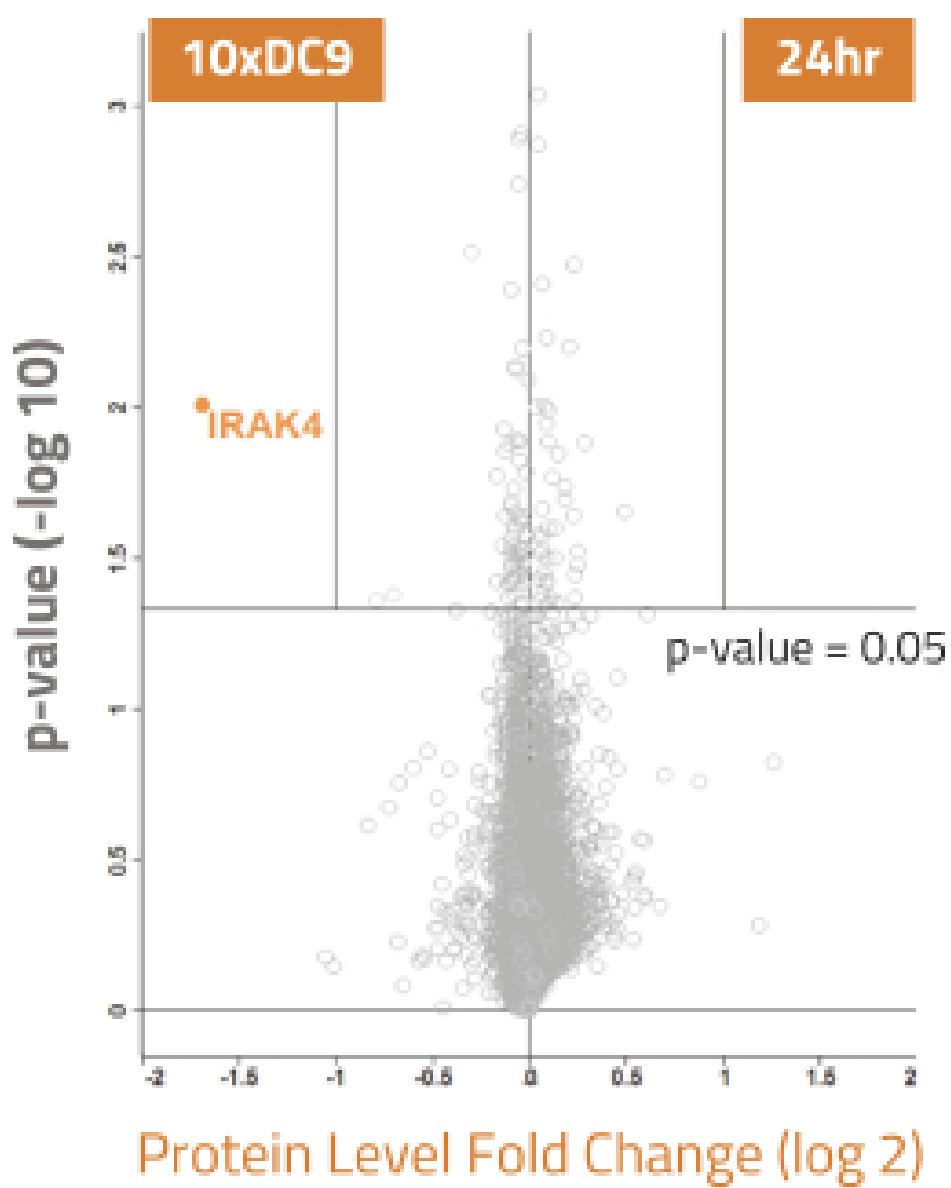
In order to determine the potency of KT-474, we treated human monocytes from multiple donors with increasing concentrations of KT-474 and assessed the degree of IRAK4 degradation. A negative control compound, KT-5653, which binds IRAK4 but not the E3 ligase, was also included as the control. As shown in Figure 11, KT-474 degraded IRAK4 in human monocytes with a calculated a half-maximal degradation concentration, or DC₅₀, of 2.1 nM, significantly lower than the negative control.

Figure 11. Cellular Degradation of IRAK4 in Human Monocytes Upon Treatment of KT-474.



We performed deep mass spectrometry-based proteomics on KT-474-treated human peripheral blood monocytes, or hPBMC, to assess the specificity of KT-474. Volcano plots are used to visualize the data plotting fold changes in the x-axis and statistical significance on the y-axis. As shown in the figure below, measurement of over 10,000 proteins showed that IRAK4 is the only protein degraded by KT-474, highlighting the compound's selectivity profile.

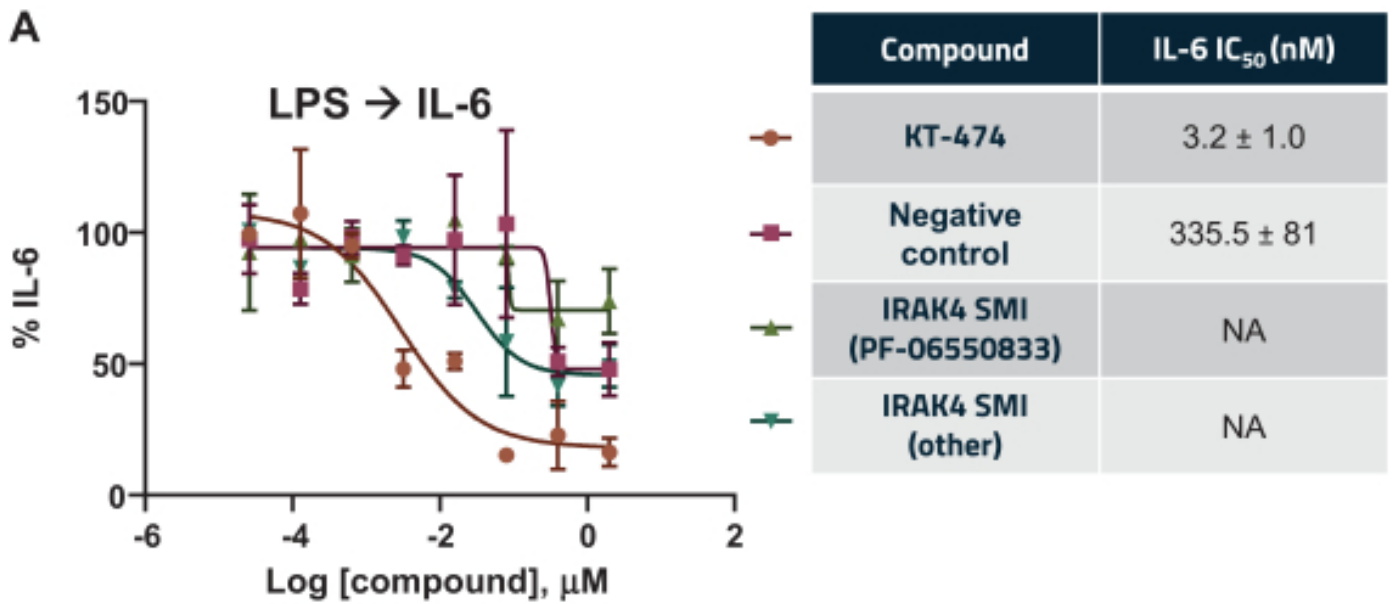
Figure 12. Proteomics Analysis of KT-474 Selectivity in hPBMC.

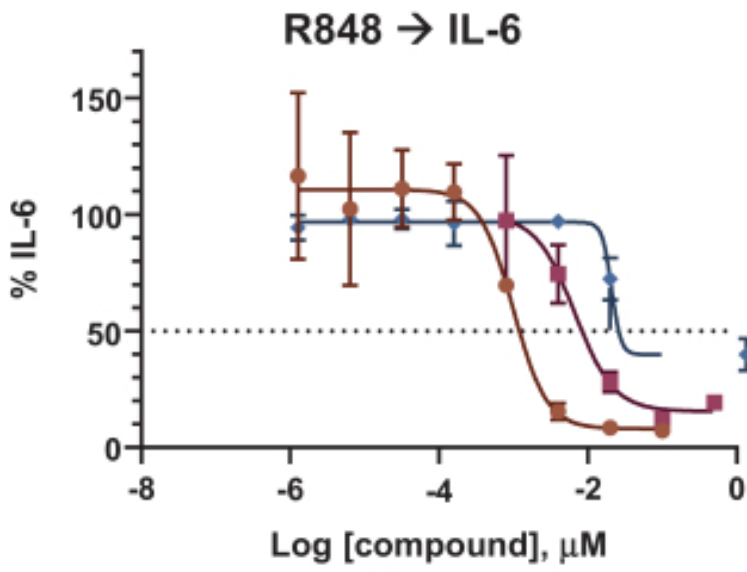


Stimulation and Comparison to IRAK4 Kinase Inhibitors

We assessed the functional activity of KT-474 by measuring pro-inflammatory cytokine levels following TLR4 (LPS) or TLR7/8 (R848) agonist stimulation of hPBMC cultures. Cells were pretreated with KT-474, its negative control KT-5653, the IRAK4 small molecule inhibitor, or SMI, PF-06550833, and another IRAK4 SMI overnight and then stimulated with LPS or R848 before measuring IL-6 cytokine levels. The figure below shows KT-474 is more potent at inhibiting IL-6 under both LPS (Figure 13A) and R848 (Figure 13B) conditions and was able to achieve greater maximal cytokine inhibition compared to either IRAK4 SMI.

Figure 13. Effect of KT-474 on hPBMC IL-6 Production in Response to LPS (a) and R848 (b).

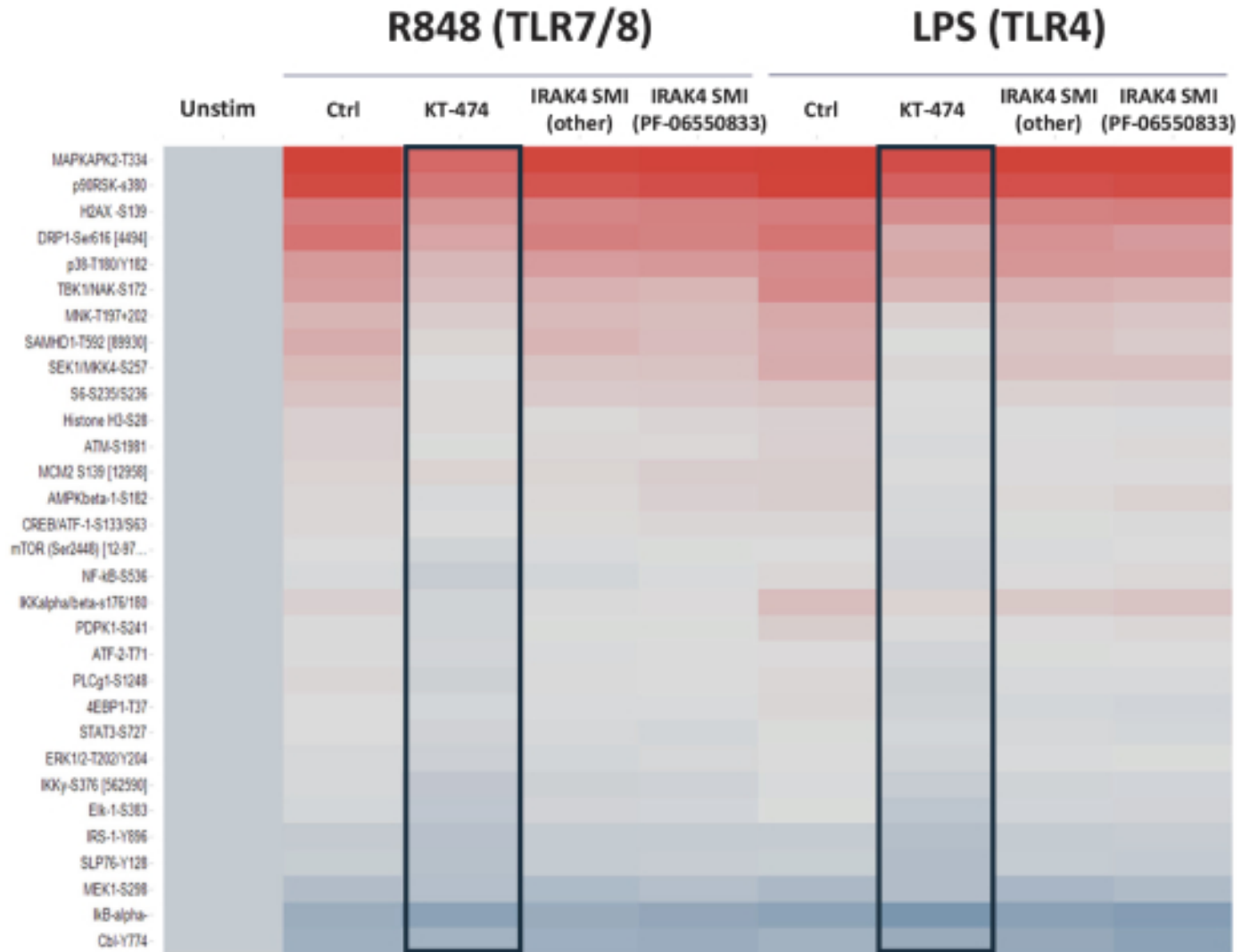


B

| Compound | IL-6 IC ₅₀ (nM) |
|-------------------------|----------------------------|
| KT-474 | 0.7 ± 0.5 |
| IRAK4 SMI (PF-06550833) | 5.2 ± 3.5 |
| IRAK4 SMI (other) | 48.9 ± 13.5 |

The ability of KT-474 to block downstream phosphorylation events following LPS or R848 stimulation in hPBMC cultures was also evaluated using a phospho-protein multiplex flow cytometry assay. Following compound pretreatment, hPBMCs were stimulated with LPS or R848 for a finite period, prepared and analyzed for phospho-protein levels. The heatmap signature in the figure below shows KT-474 treatment was able to inhibit pro-inflammatory phosphorylation events following R848 or LPS stimulation in a superior manner to the IRAK4 SMIs.

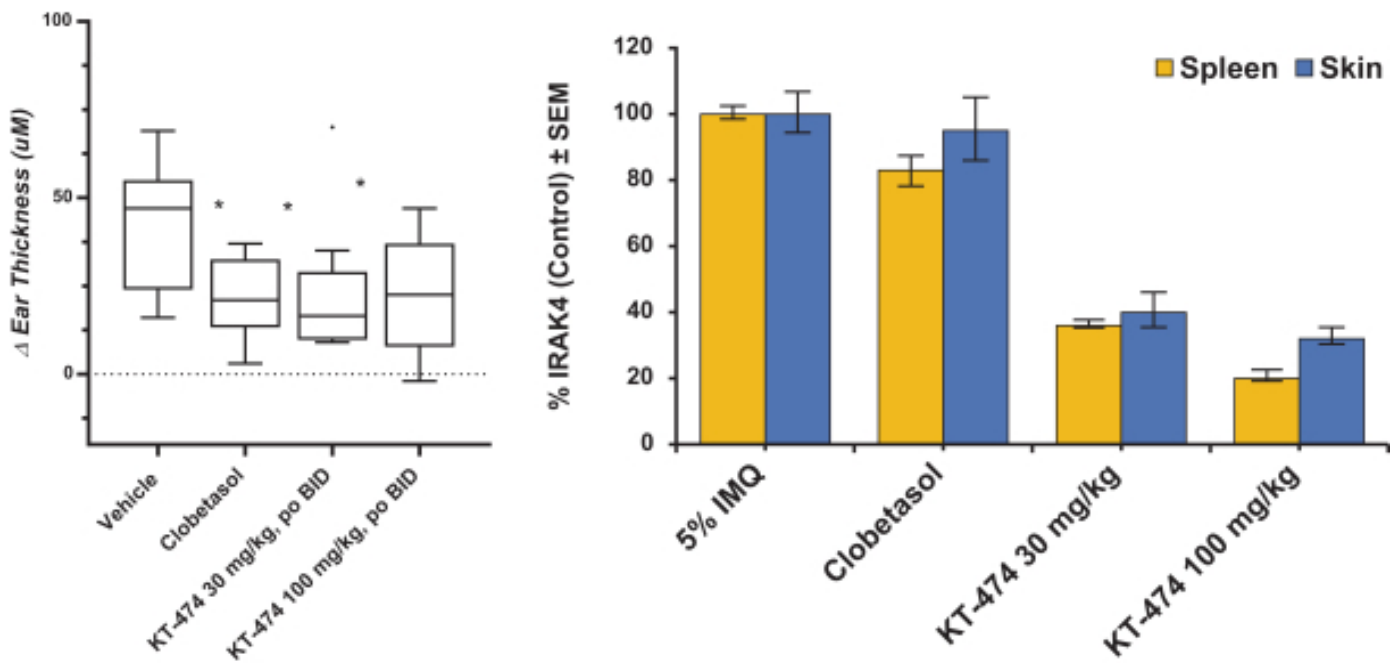
Figure 14. Effect of KT-474 on Phosphoprotein Upregulation in Response to R848 and LPS Stimulation and Comparison to IRAK4 SMIs.



In Vivo Data

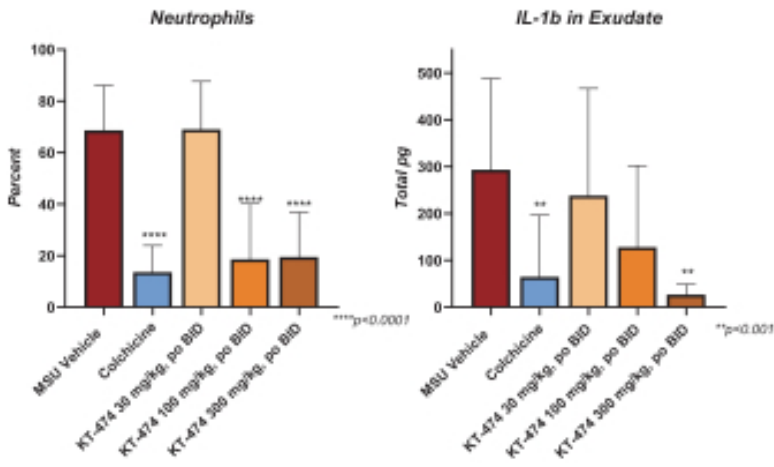
Topical application of the TLR7/8 agonist, imiquimod, or IMQ, induces skin thickening associated with inflammatory cell infiltration, activates the NF- κ B pathway and IL-23/IL-17 axis, and produces IL-1 family cytokines from keratinocytes, recapitulating several key pathological features of skin inflammation, including HS and psoriasis. In this *in vivo* model, orally administered KT-474 inhibited topical IMQ-induced skin thickening, which was a reflection of local and systemic inflammation, to an extent comparable to a topical corticosteroid (clobetasol) at doses achieving at least 60-70% IRAK4 knockdown in skin and spleen (Figure 15).

Figure 15. KT-474 Downregulates IRAK4 Expression and Inhibits Skin Thickening in Mouse Imiquimod Model of Psoriasis.



In order to investigate neutrophil recruitment and inflammasome dependent cytokine production, we injected monosodium urate, or MSU, crystals into an artificially created subcutaneous air pouch in mice. Analysis of the pouch exudate following injection of MSU crystals demonstrated that KT-474 blocked neutrophil infiltration and IL-1 β production at doses resulting in 80% or greater IRAK4 reduction in the spleen (Figure 16).

Figure 16. KT-474 Inhibits Neutrophil Migration and IL-1 β Production in the Mouse MSU Air Pouch Model.

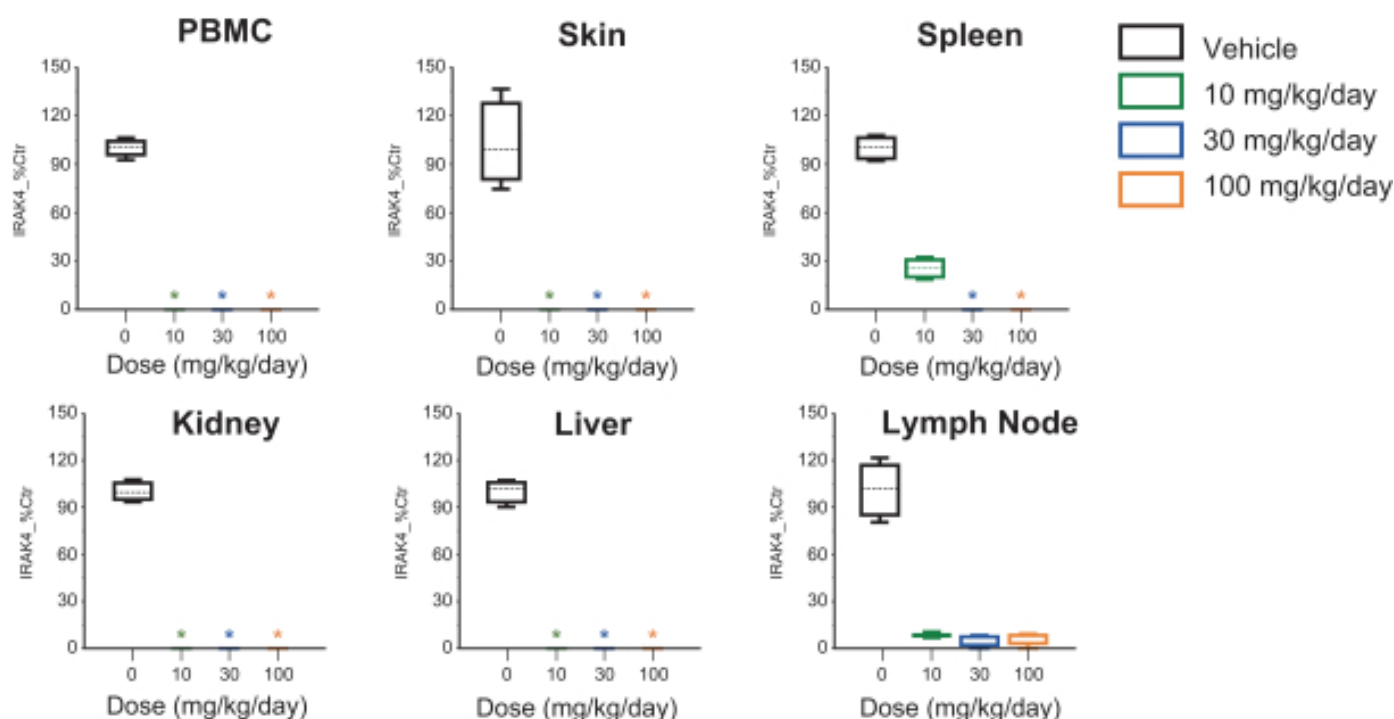


| Dose (mpk) BID | Plasma | Spleen | |
|-------------------|----------------|----------------|------------|
| | [KT-474] μM | [KT-474] μM | IRAK4 KD |
| 30 | 0.23 | 0.89 | 66% |
| 100 | 0.87 | 4.2 | 80% |
| 300 | 2.6 | 18 | 86% |

Inhibition of disease activity achieved with 80% degradation of IRAK4 in spleen

In a 14-day non-GLP toxicology study of daily, orally-administered KT-474 in rats and non-rodents, the compound was well-tolerated at doses of up to 600 mg/kg in rats and 100 mg/kg in non-rodents. Notably, pharmacodynamic assessment demonstrated complete knockdown of IRAK4 24 hours after the last dose on day 15 in multiple tissues including skin, spleen, lymph nodes and PBMC as shown in Figure 17 below. Together this demonstrates that nearly complete systemic degradation of IRAK4 was well-tolerated and supports the advancement of KT-474 into IND-enabling studies.

Figure 17. IRAK4 Knockdown in Tissues After 14 Days of KT-474 Dosing in Non-Rodent Non-GLP Toxicology Study.



* = Below level of quantification

In addition, the reversibility of IRAK4 knockdown *in vivo* was demonstrated in mice and non-rodents, where recovery of IRAK4 levels in blood (PBMC) and skin was observed within 48 to 72 hours following cessation of daily oral dosing. We believe these data point to a potential safety advantage for TPD relative to genetic medicines approaches of protein knockdown, as cessation of the TPD agent is sufficient to restore protein levels back to steady state within a reasonable timeframe.

In summary, these preclinical data show that orally administered KT-474 safely and potently suppresses IRAK4 expression in rodents and non-rodents, inhibits inflammation, including neutrophil infiltration, in murine models mechanistically relevant to the pathogenesis of HS, AD, and RA, and demonstrates a therapeutic advantage of IRAK4 degradation over IRAK4 kinase inhibition.

Clinical Development Plan

We expect to file our IND and initiate a Phase 1 trial in the first half of 2021. Our planned Phase 1 trial will be a randomized, placebo-controlled, single ascending dose and multiple (14 daily doses) ascending dose trial in up to 100 adult healthy volunteers. The primary endpoints of this trial will be to determine the safety and tolerability of KT-474 when administered as daily oral doses at escalating dose levels. Secondary endpoints will include characterization of the pharmacokinetic and pharmacodynamic profiles of multiple doses of KT-474 over an established timeframe.

Pharmacodynamic endpoints to demonstrate proof of mechanism and proof of biology will include IRAK4 levels in blood and skin, levels of pro-inflammatory cytokines in *ex vivo* stimulated PBMC, and plasma levels of high sensitivity C-reactive protein. We expect that the combination of safety, pharmacokinetic and pharmacodynamic endpoints, including PK/PD relationships, will inform selection of one or more predicted-effective doses to take into subsequent proof of concept trials in our prioritized indications, the first of which is likely to be HS.

Pending successful completion of our Phase 1 trial, we plan to confirm the recommended Phase 2 dose in one or more small cohorts of HS patients, prior to initiation of a Phase 2 placebo-controlled trial in moderate-to-severe HS patients. Once there is confirmation of the active dose, up to 100 HS patients are expected to be enrolled and randomized to KT-474 or placebo. The clinical endpoints of this trial are expected to include the HS Clinical Response Score as well as assessments of pain and quality of life.

IRAKIMiD Program in Oncology

Summary

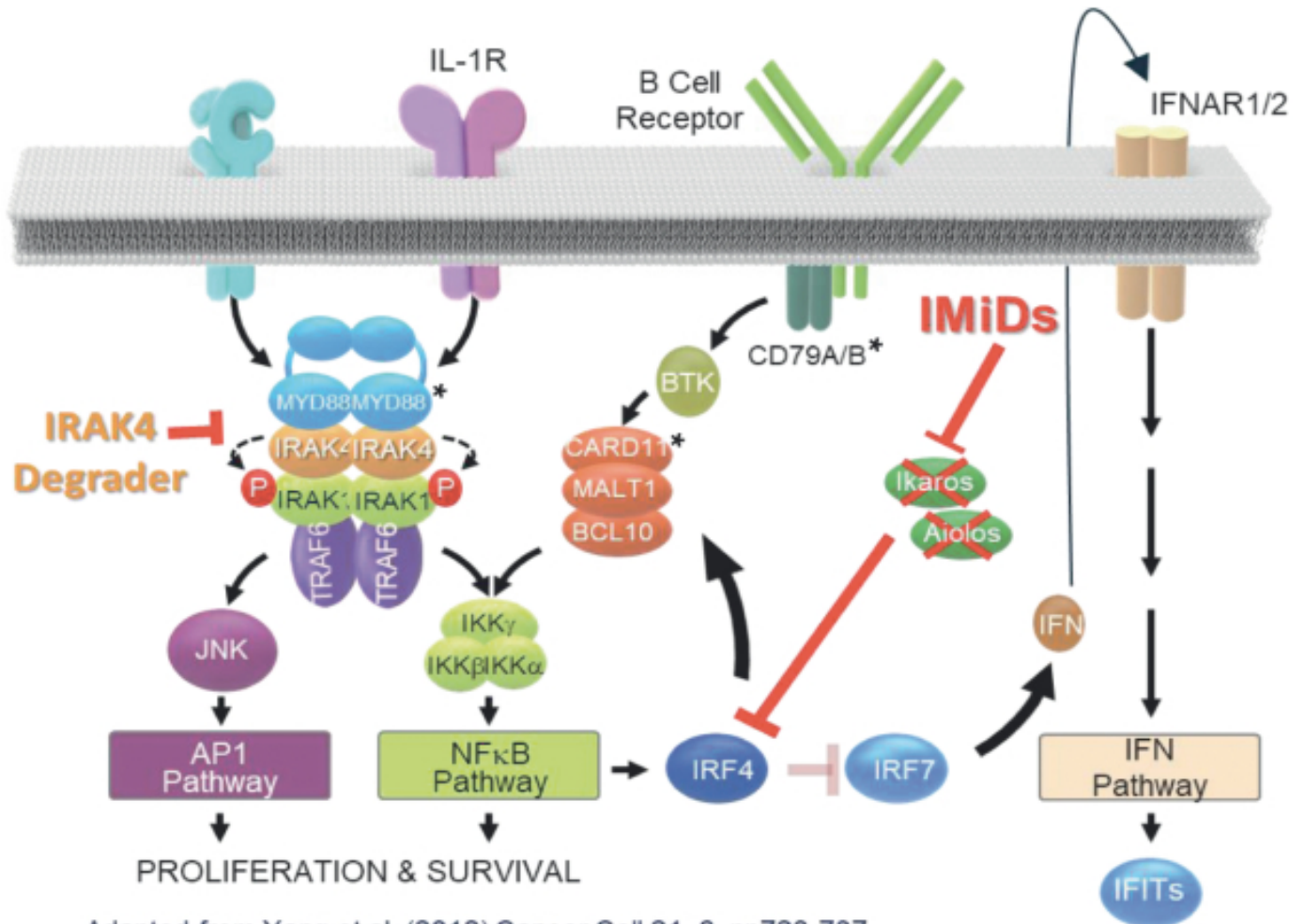
We are developing another group of IRAK4 degraders, which we call IRAKIMiDs, with a unique profile that combines the activity of IRAK4 degradation and IMiDs for the treatment of MYD88-mutated DLBCL. In oncology, IRAK4 is an obligate protein in MYD88 signaling and this activated mutation is well characterized to drive oncogenesis and IMiDs are a class of drugs that degrade zinc-finger transcription factors, such as Ikaros and Aiolos, resulting in the restoration of Type 1 IFN signaling pathway which is relevant in treating lymphoma. Our IRAKIMiDs combine the activity of the IMiDs with IRAK4 degradation in a single agent and address both the IL-1R/TLR and the Type 1 IFN pathways synergistically and in doing so demonstrating broad activity against MYD88-mutant lymphomas. We believe this will be the first precision medicine in lymphoma to target a genetically defined population, which accounts for 25% to 30% of DLBCL patients. We have observed the degradation of IRAK4 and IMiD activity results in additivity and synergy *in vitro*. IRAKIMiDs combine both of these mechanisms in a single compound. Our lead IRAKIMiD degrader has demonstrated broad activity against MYD88-mutant lymphomas *in vitro* and in mouse xenograft models, leading to rapid, complete and sustained tumor regressions, even when dosed intermittently. Our IRAKIMiD program is currently in preclinical development, and we expect to submit an IND to the FDA and initiate a Phase 1 trial in the second half 2021.

Target Rationale and Mechanism of Action

In DLBCL, the activating mutation of MYD88 drives activation of the NF- κ B transcription factor and pro-survival mechanisms such as IRF4. MYD88 is a protein that forms a multiprotein signaling complex, known as the myddosome, which transduces receptor agonism from both the TLR and IL-1b receptors. IRAK4 is an integral component of the myddosome, and both its catalytic kinase activity as well as its scaffolding function are required to drive downstream signals from the myddosome.

The constitutive activation of NF- κ B is a hallmark of several B-cell lymphoma subtypes. In DLBCL, NF- κ B activation is driven by a range of oncogenic alterations in several upstream pathways and regulators. Multiple co-mutations in these complexes often occur within the same tumor, emphasizing the dependence of these cancers on NF- κ B activation. IMiDs such as lenalidomide drive a partial downregulation of NF- κ B and IRF4, resulting in the restoration of Type 1 IFN signaling and promoting cell death.

Figure 18. NF- κ B is Activated by Complimentary Mechanisms in Diffuse Large B Cell Lymphoma.

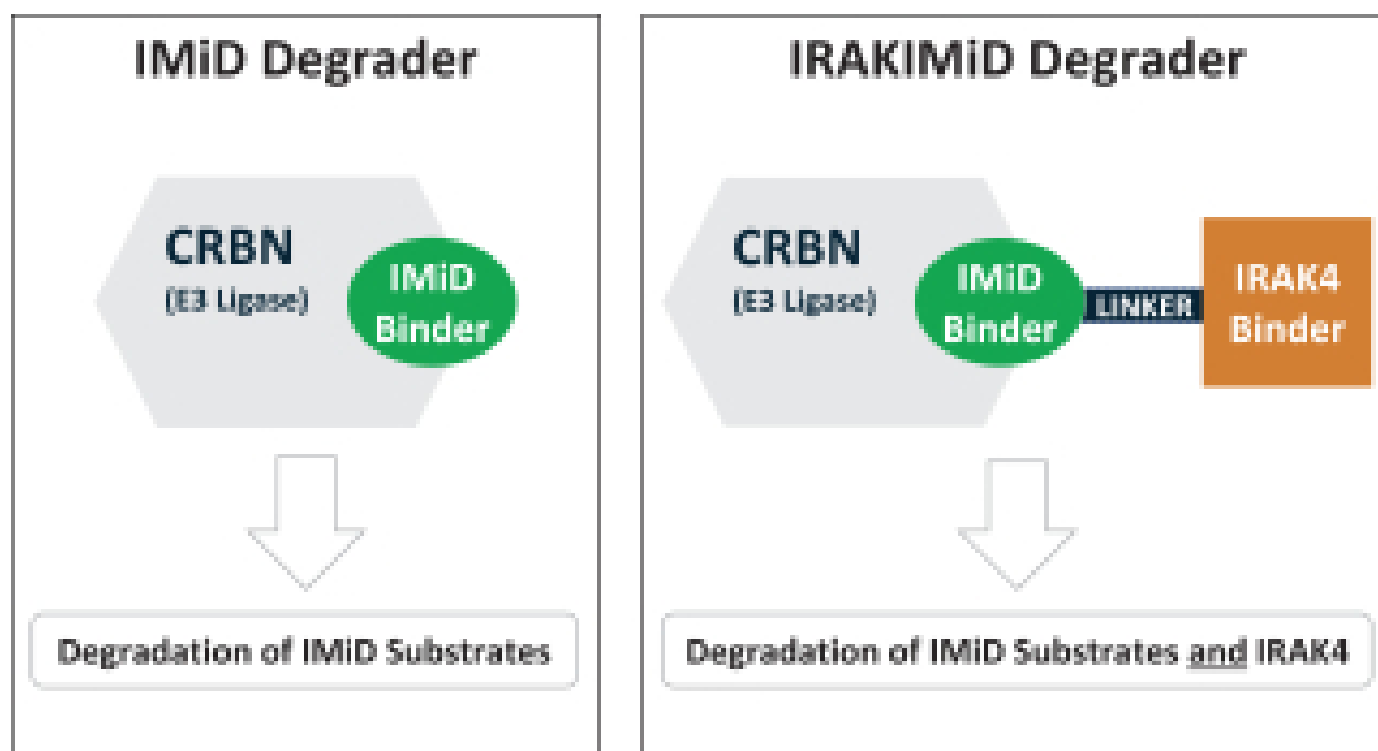


Adapted from Yang et al. (2012) Cancer Cell 21, 6, pp723-737

* Oncogenic driver mutations

Leveraging knowledge and chemistry expertise derived from the design of our selective IRAK4 degrader program, we have designed a novel class of heterobifunctional IRAK4 degraders, which we call IRAKIMiDs, that utilize an active IMiD as the cereblon binder to simultaneously engage and degrade both IRAK4 and IMiD substrates, such as Ikaros and Aiolos, thus combining the activity of two molecules in a single agent. IRAKIMiDs therefore combine two highly relevant therapeutic mechanisms in a single compound, enabling the functional synergy of NF- κ B inhibition and upregulation of the Type 1 IFN response that results in increased and broader single-agent activity in MYD88-mutated DLBCL as compared to either mechanism alone.

Figure 19. IRAKIMiDs (right) Combine Both IRAK4 Degradation and IMiD Activity in a Single Agent.



Development Opportunities and Differentiation of Novel Therapies in MYD88-Mutated DLBCL

Oncogenic mutations of MYD88, most commonly MYD88^{L265P}, are common in several subsets of DLBCL. In particular, MYD88 is estimated to be mutated in approximately 30-40% of activated B cell DLBCL, or ABC-DLBCL, cases, 30-80% of primary CNS lymphoma cases, and 45-75% of primary extranodal lymphomas cases. In addition, MYD88 is mutated in more than 90% of Waldenström macroglobulinemia cases. The presence of MYD88 mutations in DLBCL is often associated with poorer response to chemotherapy and reduced overall survival compared to other genetic subtypes, supporting the need for more effective therapies targeting MYD88-mutated DLBCL.

Treatment of DLBCL typically involves front-line R-CHOP chemotherapy combined with rituximab. While effective in many other patients, front-line chemotherapy has significantly poorer survival rates in DLBCL subsets where MYD88 mutations are prevalent. In additional lines of therapy, several novel targeted therapies have been approved recently, including the combination of polatuzumab, bendamustine and rituximab as well as CD19-targeting chimeric antigen receptor T-cells. While these agents have some notable activity, many patients fail to respond to or subsequently relapse from these therapies, with no adequate treatment options. Several targeted therapies that impact the NF- κ B pathway, such as the Bruton's tyrosine kinase inhibitor ibrutinib, or the IMiD lenalidomide, have shown modest single agent activity, with poor durability of response in MYD88-mutated DLBCL.

Based on our pre-clinical data, we believe our IRAKIMiD degraders, which synergistically combine the activity of both IRAK4 and IMiD substrate degradation to exploit complimentary pathway signaling, will have the potential to improve upon the efficacy of IRAK4 kinase inhibitors and other therapies, including BTK inhibitors and IMiDs, and provide single-agent activity in MYD88-mutated DLBCL.

Preclinical Studies and Data

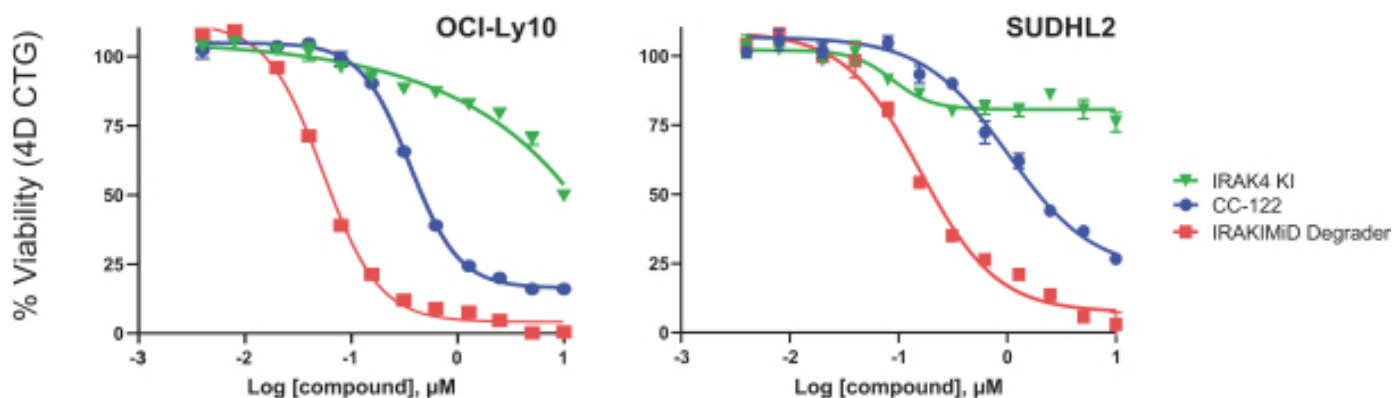
In support of our preclinical development, we have demonstrated our IRAKIMiD degraders' high potency, selectivity, and therapeutic potential in both *in vitro* and *in vivo* studies.

To assess the activity of our IRAKIMiD degraders in both MYD88-mutated and -wild-type cell lines, we conducted various *in vitro* studies in a panel of cell lines. MYD-88-mutated cell lines included ABC-DLBCL lines such as OCI-Ly10, SUDHL2, and TMD8 while MYD-88-wild-type cell lines included OCI-Ly19, U2932, and SUDHL6. We have shown that IRAK4 degradation, as opposed to IRAK4 inhibition, shows additivity and synergy when combined with IMiDs *in vitro*. Specifically, combining an IRAK4 degrader with the IMiD pomalidomide shows additive and synergistic activity in several MYD88-mutated cell lines *in vitro*, supporting the combined effect of targeting both the MYD88 and IRAK4 pathways together. Notably, we did not see an additive effect when IRAK4 kinase inhibitors were combined with IMiDs, suggesting that the greater activity of IRAK4 degradation is needed for synergistic activity. We believe these data support the development of our unique class of degraders, which we call IRAKIMiDs.

An early generation IRAKIMiD degrader demonstrated potent *in vitro* degradation of both IRAK4 (DC₅₀ 4nM) and IMiD substrates (Ikaros/Aiolos DC₅₀ 2/2nM). In order to assess the breadth and extent of IRAKIMiD degrader activity, we treated various MYD88-mutated, or MYD88^{MT}, and wild-type, or MYD88^{WT}, cell lines with the degrader for 96 hours and then measured cell viability. Our IRAKIMiD degrader was highly potent against MYD88^{MT} ABC-DLBCL cell lines such as OCI-Ly10 (IC₅₀ = 0.031 μM), but not against MYD88^{WT} ABC-DLBCL cell lines, such as U2932 (IC₅₀ greater than 8 μM). This demonstrated proof of concept that IRAK4 and IMiD substrate degradation can preferentially drive cell death in mutated cell lines while largely sparing wild type cells.

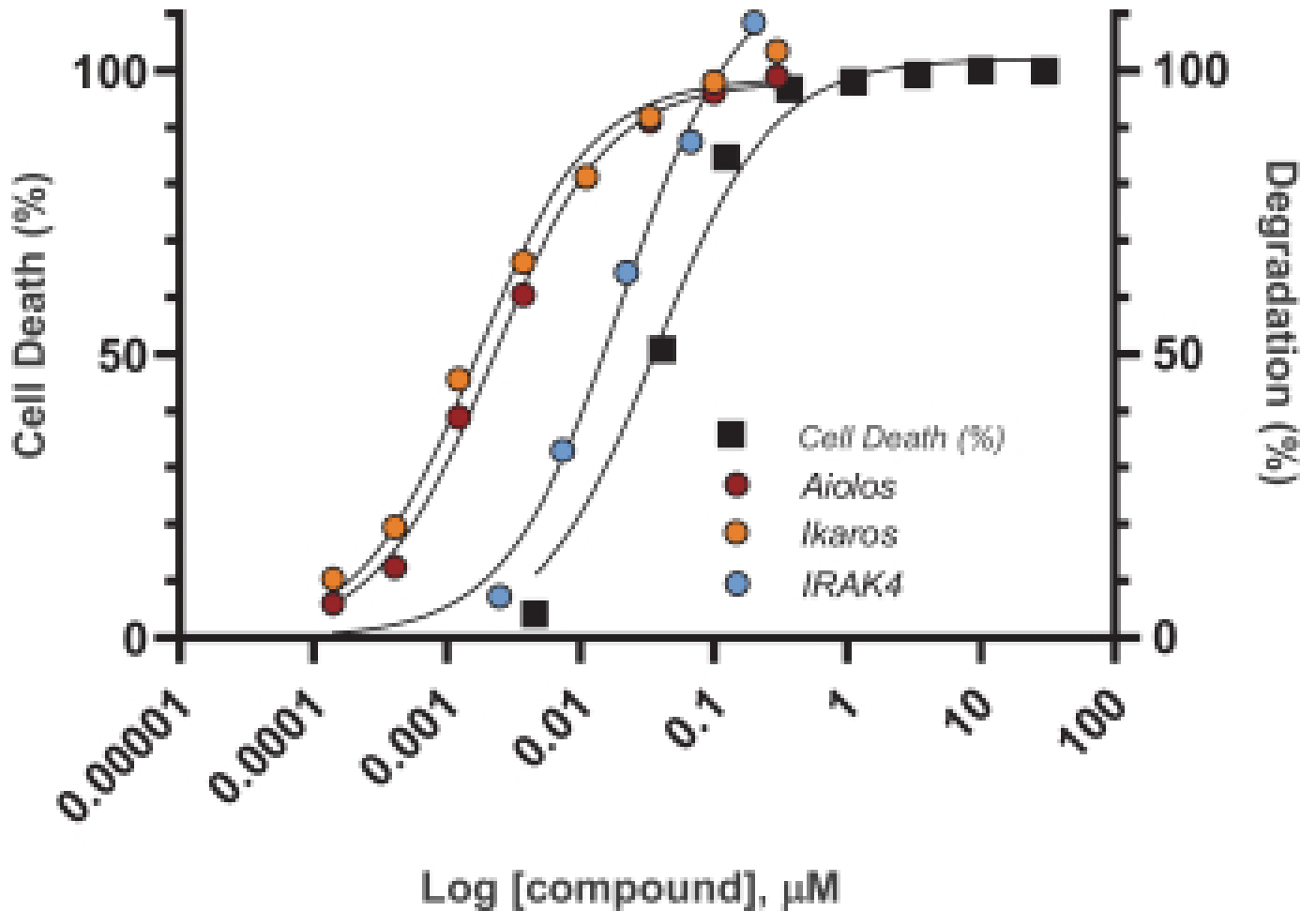
We conducted a 4-day cell survival assay in the MYD88-mutated ABC-DLBCL cell lines OCI-Ly10 and SUDHL2 to compare activity of an IRAKIMiD degrader to an IMiD compound alone and an IRAK4 kinase inhibitor alone. As shown in Figure 20, an IRAKIMiD degrader demonstrated significantly more potent cell killing than both the clinical-stage IMiD compound CC-122 and a representative IRAK4 kinase inhibitor, supporting the potential for IRAKIMiDs to demonstrate differentiated single-agent activity in MYD88-mutated DLBCL.

Figure 20. IRAKIMiDs Show Significantly More Potent Activity in MYD88^{MT} Cell Lines Compared to the IMiD CC-122 and a Representative IRAK4 SMI.



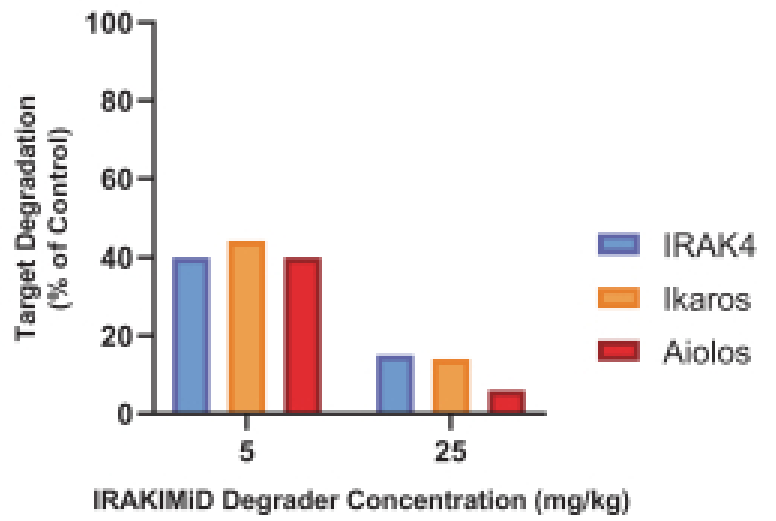
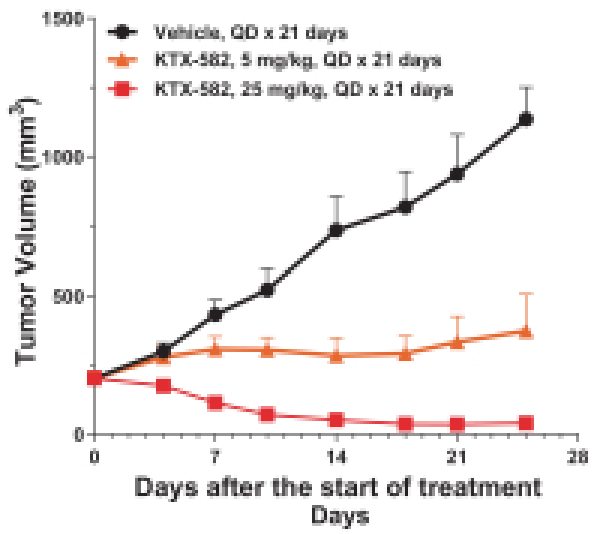
To characterize the relationship between cell killing activity and the pharmacodynamic effect of an IRAKIMiD degrader, we measured protein levels of IRAK4, Ikaros and Aiolos in OCI-Ly10 cells after 24 hours of drug exposure. As shown in Figure 21, treatment with an IRAKIMiD degrader resulted in significant degradation of each of IRAK4, Ikaros, and Aiolos. Moreover, the degree of target protein degradation was strongly associated with the degree of cell killing, providing proof of concept that dual targeting of IRAK4 and IMiD substrates is capable of strongly affecting tumor biology in MYD88-mutated DLBCL.

Figure 21. Pharmacodynamic Analysis of IRAK4, Ikaros, and Aiolos in the MYD88^{MT} Cell Line OCI-Ly10 Treated with an IRAKIMiD Degrader. Degree of Cell Killing Activity is Strongly Associated with the Degree of Degradation of Both IRAK4 and IMiD Substrates.



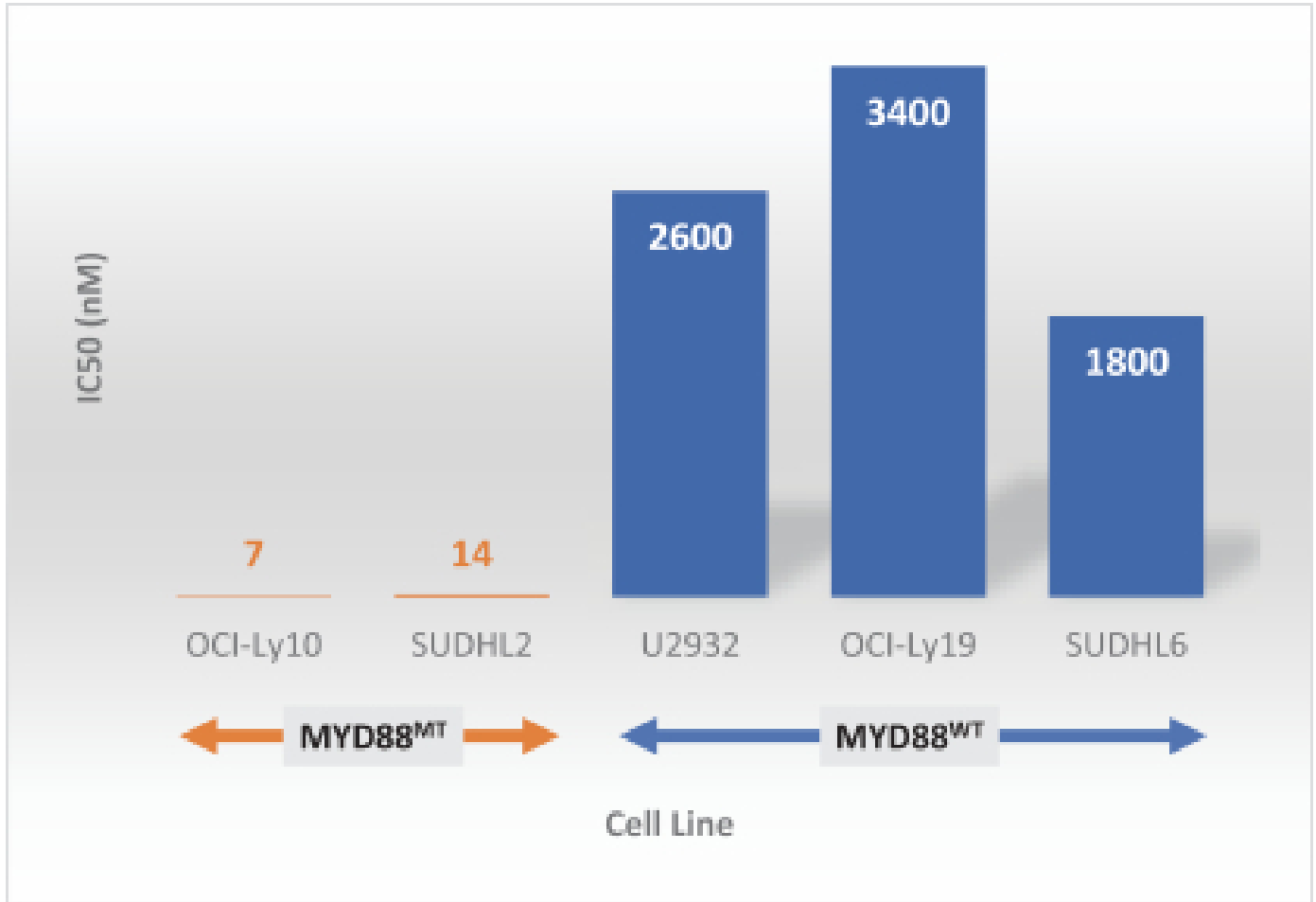
In tumor xenograft models *in vivo*, an IRAKIMiD degrader showed single-agent antitumor activity, including inducing tumor regressions in multiple models of MYD88-mutated DLBCL at well-tolerated doses (Figure 22). In Figure 22, OCI-Ly10 tumors were grown to a size of $2 > 200 \text{mm}^3$ and treated with daily doses of an IRAKIMiD degrader at either 5 mg/kg or 25 mg/kg for 21 days. Tumor size was measured twice a week. A dose of 5 mg/kg resulted in tumor stasis, whereas a dose of 25 mg/kg caused a strong tumor regression. In this experiment, tumors treated at 5 mg/kg or 25 mg/kg daily for 5 days were removed and the protein levels of IRAK4, Ikaros, and Aiolos were determined by mass spectrometry. We observed a dose-dependent degradation of these proteins, and more than 80% degradation of both IRAK4 and IMiD substrates was associated with the onset of regressions, supporting the hypothesis that superior single-agent antitumor activity is driven by downregulation of both the MYD88 and IRF4 pathways (Figure 22).

Figure 22. IRAKIMiD Degrader Shows Regressions in Both OCI-Ly10 and SUDHL2 Cell Lines.



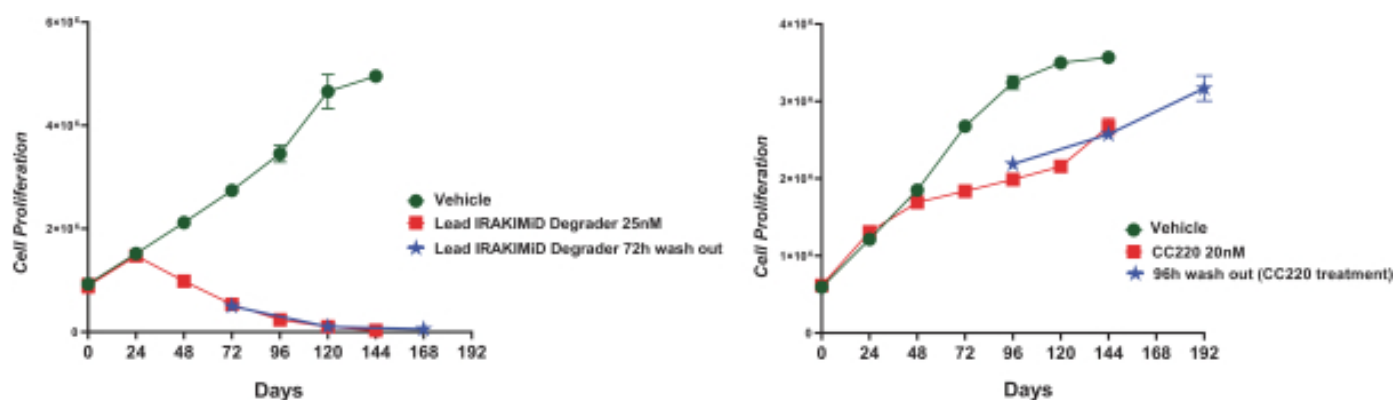
Our lead IRAKIMiD degrader is a potent degrader of both IRAK4 ($DC_{50} = 8nM$) and the IMiD substrates Ikaros and Aiolos ($DC_{50} = 2nM$) and shows potent activity in a range of MYD88-mutated cell lines, including OCI-Ly10 and SUDHL2, as shown in Figure 23 below. Notably, our lead IRAKIMiD degrader is significantly less active in MYD88-wild-type cell lines, including U2932, OCI-Ly19, and SUDHL6, supporting the potential for targeting tumors harboring MYD88 mutations.

Figure 23. Our Lead IRAKIMiD Degrader is Significantly More Active in MYD88^{MT} versus MYD88^{WT} Cell Lines.



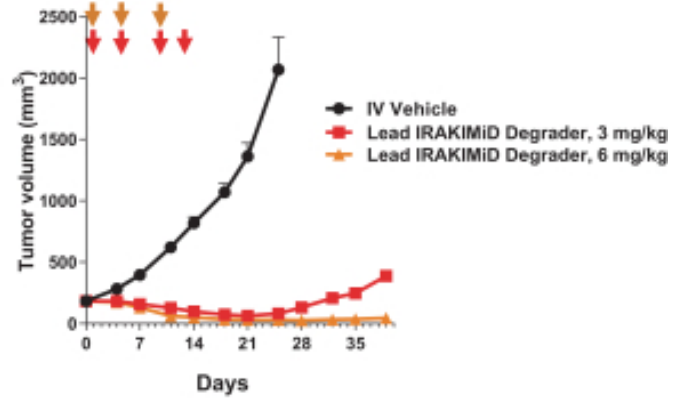
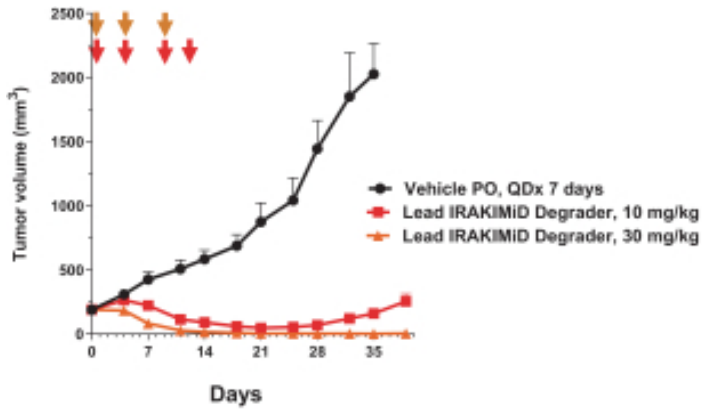
To assess the *in vitro* activity and durability of our lead IRAKIMiD degrader on tumor cell killing, we treated MYD88^{MT} OCI-Ly10 cells for different durations with either our lead IRAKIMiD degrader or the clinical-stage IMiD compound CC-220 and measured inhibition of cell growth over time by cell titer glow. Notably, our lead IRAKIMiD degrader demonstrated highly potent inhibition of proliferation when cells were exposed to compound over a 7-day period. When the compound was washed out after only 3 days, cells failed to recover, suggesting only short exposures to the lead IRAKIMiD were sufficient for full inhibition of proliferation. In contrast, CC-220 was less active when cells were treated for 7 days, and on washout after 4 days of treatment, cells began to regrow, suggesting that more continuous exposure to CC-220 is needed for cell activity. These data demonstrate the potency of our lead IRAKIMiD degrader and support the potential for shorter or intermittent exposures *in vivo* as sufficient to drive activity.

Figure 24. Our Lead IRAKIMiD Degrader Shows Potent Activity Following Short Time of Exposure *in vitro*.



To assess the *in vivo* activity of our lead IRAKIMiD degrader, we used a MYD88^{MT} OCI-LY10 xenograft mouse model. Mice were administered our lead IRAKIMiD degrader orally or parenterally on an intermittent schedule every 3rd or 4th day and monitored for tumor volume over time. As shown in Figure 25, our lead IRAKIMiD degrader induced tumor responses and complete regressions when given under either an oral, or PO, or intravenous, or IV, administration and under an intermittent schedule. Tumor responses were durable, maintaining regression for upwards of 4 weeks past the last dose, suggesting that infrequent dosing may be adopted with this mechanism with little impact on potential for activity.

Figure 25. Our Lead IRAKIMiD Degrader Induced Strong and Durable Regressions on Intermittent PO or IV Dosing in OCI-Ly10 Xenograft Tumors.



In summary, these preclinical data show that we are able to affect similar levels of IRAK4 and IMiD substrates degradation and antitumor activities in a dose-dependent manner *in vivo* using either PO or IV formulations. Together, given the potential for intermittent and discontinuous dosing as sufficient to drive deep and sustained regressions, we believe these data support the potential for our IRAKIMiDs as a transformative therapy that synergistically combines the activity of both IRAK4 and IRAKIMiD substrate degradation to exploit complimentary pathway signaling.

Pre-IND Status and Next Steps

Our IRAKIMiD program is currently in preclinical development, and we expect to submit an IND to the FDA and initiate a Phase 1 trial in the second half of 2021. Our planned Phase 1a trial is expected to include dose escalation and will assess safety, tolerability, pharmacokinetics, pharmacodynamics and preliminary clinical activity in patients with B-cell lymphomas, including MYD88-mutant and -wild type DLBCL, leading to selection of the dose and schedule to take into our Phase 1b expansion studies. The Phase 1b expansion cohorts will assess safety and clinical efficacy in MYD88^{MT} versus MYD88^{WT} DLBCL, including patients with or without central nervous system involvement.

Developing IRAK4-selective Degraders for Solid Tumor and Other Cancer Indications

In addition to our IRAKIMiD program, we are also exploring the therapeutic potential of IRAK4-selective degradation without IMiD biology in both liquid and solid tumors, as there are certain cancers where this approach may be effective either as a monotherapy or in a combination therapy. Potential indications could include MYD88-mutant Waldenstrom macroglobulinemia, subsets of acute myeloid leukemia, or AML, and non-small cell lung cancer. This program is in an earlier stage of development.

STAT3 Degradar for Cancer and Autoimmune/Fibrotic Diseases

Summary

We are developing our first-in-class selective STAT3 degraders for the treatment of hematological malignancies and solid tumors, as well as autoimmune diseases and fibrosis. STAT3 is a transcription factor activated through a variety of different cytokine and growth factor receptors via JAKs, as well as through oncogenic fusion proteins and mutations in STAT3 itself. We believe the diverse functions of STAT3 in tumor biology, evasion of immune surveillance by tumor cells, and inflammation and fibrosis provide opportunities to address a wide variety of high unmet need disease indications through the targeting of a single genetically and clinically validated pathway. While the JAK-STAT pathway has been partially addressed with several clinically successful JAK-targeting agents, we believe there are currently no drugs that specifically affect STAT3 broadly across all the relevant cell types. Small molecule STAT3 dimerization inhibitors targeting the SH2 domain have been in development, but significant challenges remain: first, homology of SH2 domains among all STAT family members impacts the ability to achieve specificity for STAT3, and second, inability to block dimerization independent transcriptional activities of STAT3. For these reasons, we believe that STAT3 degraders may provide a transformative solution to develop targeted and specific drugs to address multiple STAT3 dependent pathologies. Our STAT3 program is currently in preclinical development, and we expect to submit an IND to the FDA and initiate a Phase 1 trial in the second half of 2021.

Biology and Mechanism of Action of STAT3 Degradar

STAT3 (signal transducer and activator of transcription 3) is a transcription factor and a member of the STAT protein family. In response to cytokines and growth factors, STAT3 is phosphorylated by receptor-associated serine/threonine kinases, and phosphorylated STAT3, or p-STAT3, then forms dimers that translocate into the nucleus, bind to DNA, and regulate transcription of a wide variety of genes involved in oncogenesis, inflammation and fibrosis. STAT3 is frequently mutated and activated in numerous cancers, including clinically aggressive hematologic malignancies with high unmet medical need. Mechanistically, aberrant activation of

STAT3 has been directly linked to the promotion of cancer cell survival, proliferation and metastasis. In addition, STAT3 regulates the crosstalk between tumor, stroma, and immune cells to promote an immunosuppressive tumor microenvironment. STAT3 activation by IL-6 and TGF- β is also involved in the pathogenesis of autoimmunity and fibrosis. These various roles of STAT3 in disease pathogenesis make it an attractive target for drug development in cancer and autoimmune and fibrotic diseases.

Differentiation from JAK and IL-6 Inhibitors

Small molecule inhibitors against JAK family kinases, such as JAK1, JAK2, JAK3, and TYK2, have been approved for the treatment of autoimmune diseases such as RA, psoriatic arthritis, and ulcerative colitis and target the JAK2/STAT5 pathway. In oncology, JAK inhibitors have been approved for hematological malignancies with mutations leading to activation of the JAK2/STAT5 pathway, including primary myelofibrosis and polycythemia vera, and for acute graft versus host disease. JAK inhibitors block signaling of a number of cytokines and growth factors and reduce activation not only of STAT3 but also STAT1 and STAT5 in response to these stimuli. For modulating anti-tumor effects, this broad activity may have conflicting consequences. In particular, the inhibition of STAT1 activity dampens anti-tumor immune responses by cytolytic T cells and antigen presenting cells, thereby counteracting a productive immune response that could be achieved by inhibition of STAT3 alone. As a result, JAK inhibitors have not shown clinical activity in cancer beyond the myeloproliferative neoplasms. The broad activity of JAK inhibitors is also associated with class-specific adverse effects. By targeting STAT3 selectively, these immunosuppressive and safety liabilities associated with broader STAT1 and STAT5 inhibition through JAK inhibition may be avoided while also effectively addressing JAK-dependent and independent activation of STAT3.

Monoclonal antibodies directed against pro-inflammatory cytokines such as IL-6 or their receptors IL-6R have also been approved for select autoimmune diseases. However, autoimmune and fibrotic diseases and certain cancers are often regulated by multiple cytokines. As such, targeting STAT3 has the potential to be more effective since it is involved in signaling by not just IL-6, but also by TGF- β and cytokines such as IL-12, IL-2 and IL-15. Consequently, targeting STAT3 directly has the potential to block multiple signaling pathways that converge on STAT3 and reverse pathological processes that contribute to a tumor-permissive microenvironment.

Development Opportunities

The multiple effects of a STAT3 degrader on oncogenesis, tumor cell resistance to tyrosine kinase inhibitors and chemotherapy, and evasion of immune surveillance provide multiple development opportunities in hematologic malignancies and solid tumors. Additionally, the role of STAT3 in chronic inflammation and fibrosis, as also observed in patients with germline STAT3 gain-of-function mutations, informs opportunities in autoimmune and fibrotic diseases.

Hematologic Malignancies

Oncogenic STAT3 mutations and/or STAT3 pathway activations are highly common in peripheral T-cell lymphoma, or PTCL, and cutaneous T-cell lymphoma, or CTCL, indications with an estimated US incidence of approximately 5,000 and 2,000 annual cases, respectively. STAT3 mutations and pathway activations along with responsiveness of PTCL subsets and CTCL to immune checkpoint inhibitors point to a dependency on STAT3 in these indications and therefore the opportunity to develop a STAT3 degrader as a monotherapy. The standard of care for first-line treatment of PTCL is the combination of brentuximab vedotin, a CD30-directed antibody-drug conjugate, and chemotherapy. The majority of PTCL patients, including ALK-ALCL, PTCL-Not Otherwise Specified, AITL and NK/T lymphoma subtypes, eventually progress and die of their disease. For patients with refractory/relapsed disease, current treatment options are limited and approved therapies pralatrexate and romidepsin have shown limited efficacy. High prevalence of STAT3 mutations (approximately 13-38%) and STAT3 pathway activation (up to 90%) is found in these refractory/relapsed PTCL subsets with high unmet need. Given the documented effect of STAT3 downregulation on levels of programmed death-ligand 1, or PD-L1, we expect our STAT3 degrader to have a dual effect in these patients. In CTCL patients with advanced stage disease

and the highest levels of STAT3 activation, there are no curative therapies and no standard of care. Antibody-drug conjugates, HDAC inhibitors, and immune checkpoint inhibitors have some activity and are used upfront or in refractory/relapsed patients, but there remains a high unmet need for an effective therapeutic with both tumor-intrinsic as well as immunomodulatory antitumor effects.

STAT3 pathway activation is also present in virtually all patients with T- and NK-cell large granular lymphocytic leukemia, and up to 70% of patients have oncogenic STAT3 mutations. These findings are highly indicative of STAT3 dependency, which is further supported by the preliminary clinical activity of JAK inhibitors in these patients. STAT3 activation is also commonly observed in AML and in DLBCL even though STAT3 mutations are infrequent. PD-L1 overexpression in DLBCL has been linked to worse disease outcomes and responses to anti-PD-1/PD-L1 drugs have been reported in these patients. Given STAT3 has downstream impact on PD-1/PD-L1, we believe that a STAT3 degrader has the potential to achieve profound clinical effects both as a monotherapy and in combination with other active drugs.

Solid Tumors

Cancers that are responsive to tyrosine kinase inhibitors, or TKIs, and anti-PD-1/PD-L1 therapeutics, including non-small cell lung cancer, or NSCLC, head and neck squamous cell carcinoma, or HNSCC, breast cancer and colorectal cancer, are compelling development opportunities due to the role of STAT3 in developing resistance to TKIs such as epidermal growth factor receptor, or EGFR, inhibitors and evasion of immune surveillance. Specifically, the upregulation of STAT3 activation occurring after the initiation of TKIs provides the rationale for adding a STAT3 degrader to frontline TKIs such as osimertinib for EGFR-mutant NSCLC to deepen and extend the response, or for adding a STAT3 degrader in second-line therapies to overcome acquired resistance to a TKI. The immunomodulatory effects of a STAT3 degrader may further add to activity in this context and would also support a strategy of combining a STAT3 degrader with anti-PD-1/PD-L1-based standard of care.

Autoimmune and Fibrotic Diseases

Patients with rare germline STAT3 gain-of-function mutations develop multiple autoimmune and fibrotic diseases, including systemic sclerosis, or SSc, AD, interstitial lung disease, enteropathies, and RA. We believe these manifestations, and their response to JAK inhibitors, provide support for STAT3 degrader development in immunology and inflammation. There are numerous publications that highlight the role of STAT3-mediated IL-6 and TGF- β signaling in the pathogenesis of SSc, idiopathic pulmonary fibrosis, or IPF, Crohn's disease, and multiple sclerosis. There remains a high unmet need for drugs that can target both the inflammation and fibrosis in SSc and IPF and halt or reverse disease progression. A STAT3 degrader has the potential for this dual effect and could therefore provide a transformative approach to treating both IPF as well as the various clinical manifestations of SSc.

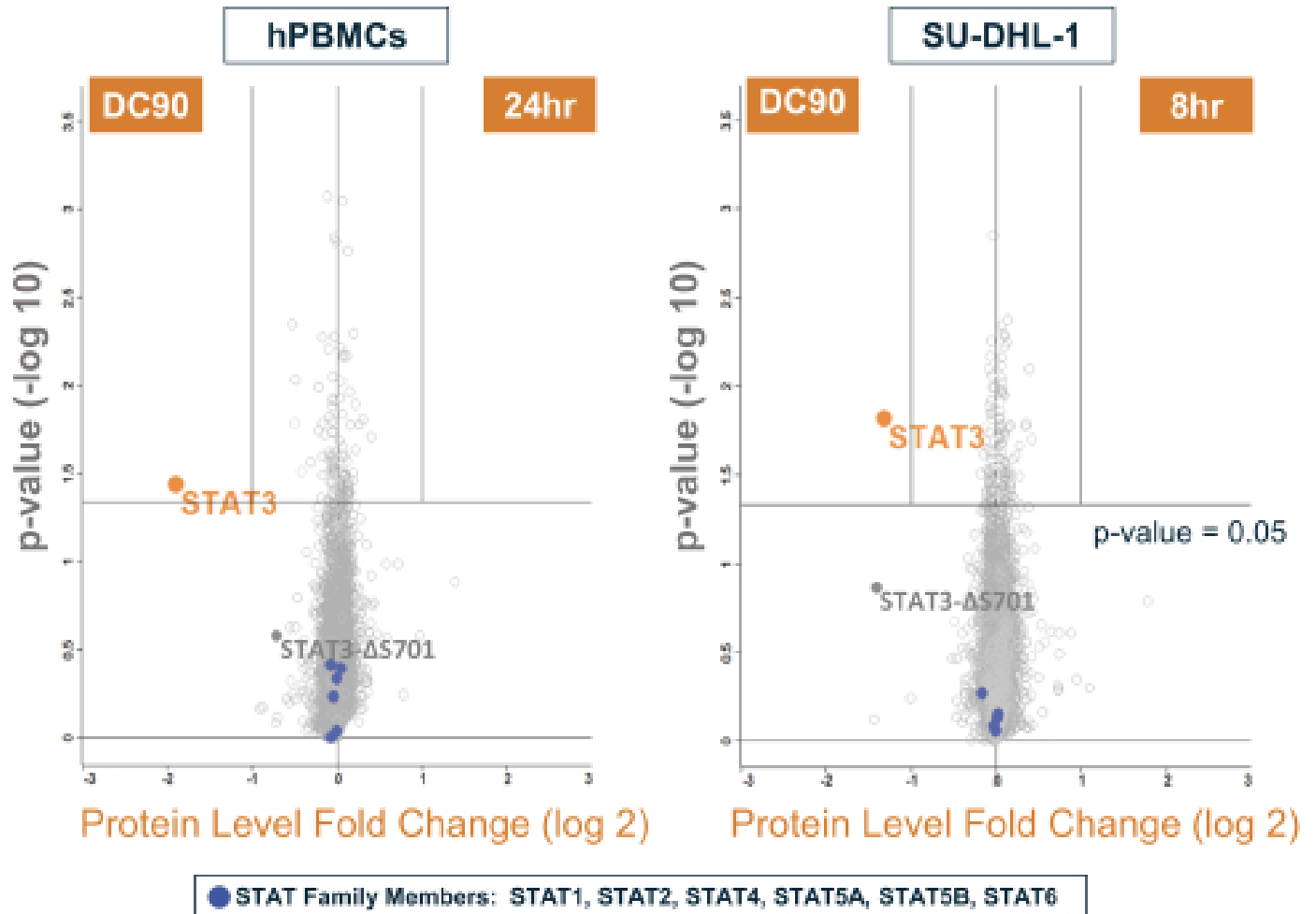
Preclinical Studies and Data

In support of our preclinical development, we have demonstrated that our STAT3 program has high potency, selectivity, and therapeutic potential both *in vitro* and *in vivo* studies.

Hematologic Malignancies—In Vitro Data

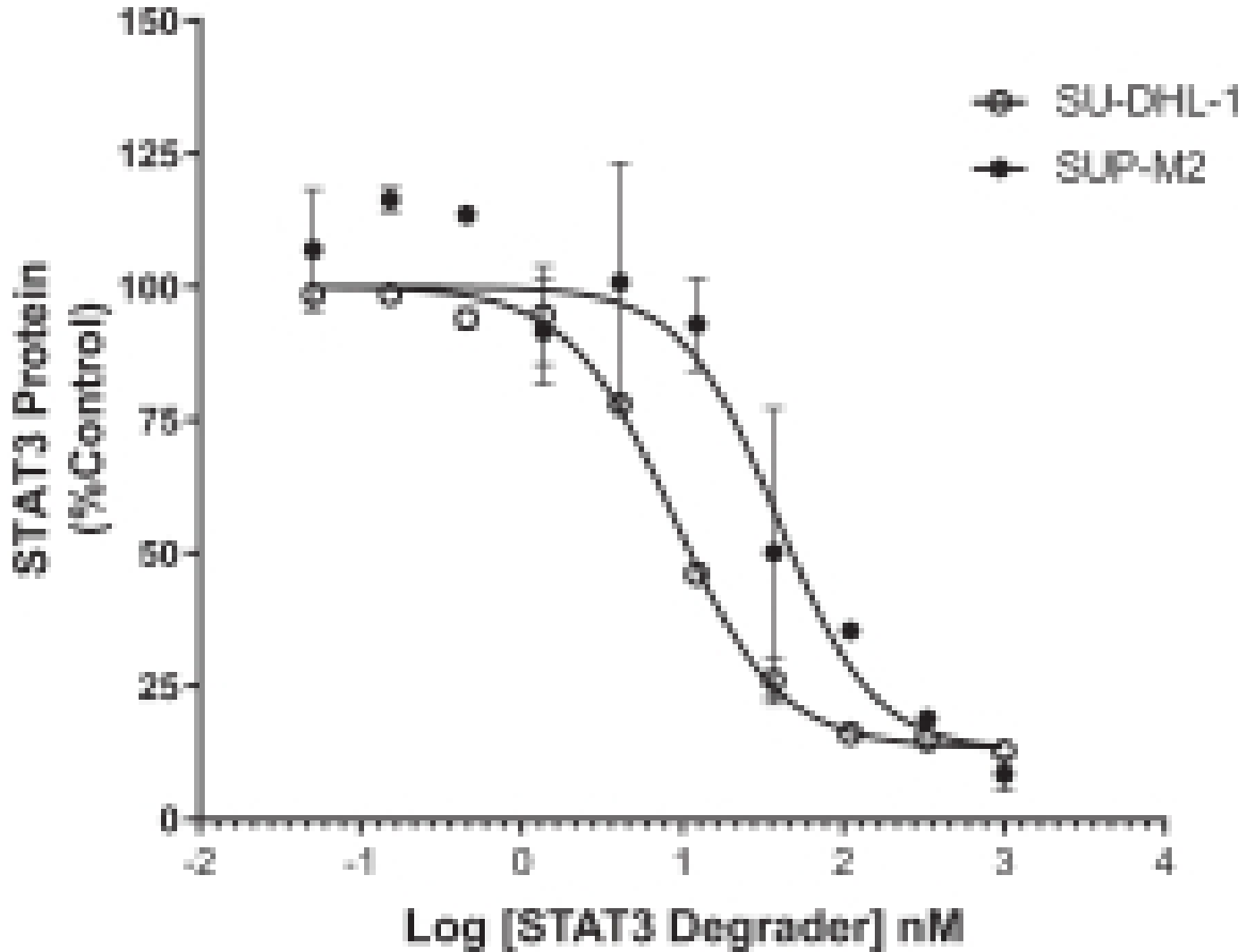
We performed deep mass spectrometry-based proteomics to assess the specificity of our STAT3 degrader. In the example below, hPBMNC and tumor cells (SU-DHL-1) were treated with our STAT3 degrader to assess its ability to affect protein levels on a proteome scale. As shown below, measurement of over 10,000 proteins showed that STAT3 is the only protein degraded by our STAT3 degrader with statistical significance, demonstrating its highly selective degradation profile (Figure 26).

Figure 26. Proteomic Analysis of STAT3 Degradation Selectivity in hPBMNC and SU-DHL-1 with Our STAT3 Degradator.



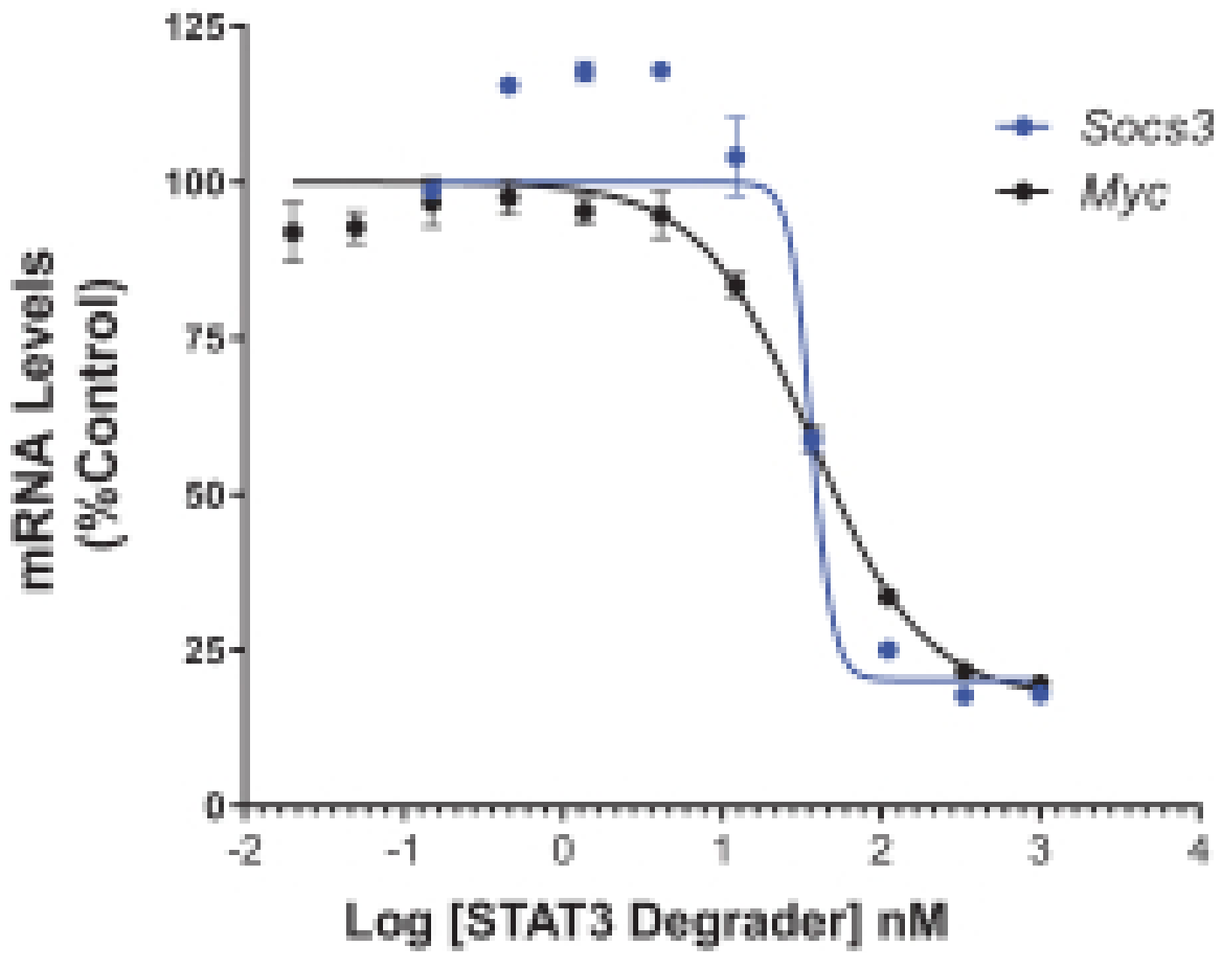
To assess the *in vitro* degradation potency of our STAT3 degrader, we measured STAT3 protein levels in two STAT3-dependent ALK+ ALCL cell lines SU-DHL-1 and SUP-M2 after 24 hours of drug exposure. As shown in Figure 27 below, our STAT3 degrader decreased the levels of STAT3 by greater than 95% with a DC₅₀ of 15 nM and 86 nM, respectively.

Figure 27. Cellular Degradation of STAT3 in SU-DHL-1 and SUP-M2 Cell Lines Upon Treatment with Our STAT3 Degrader.



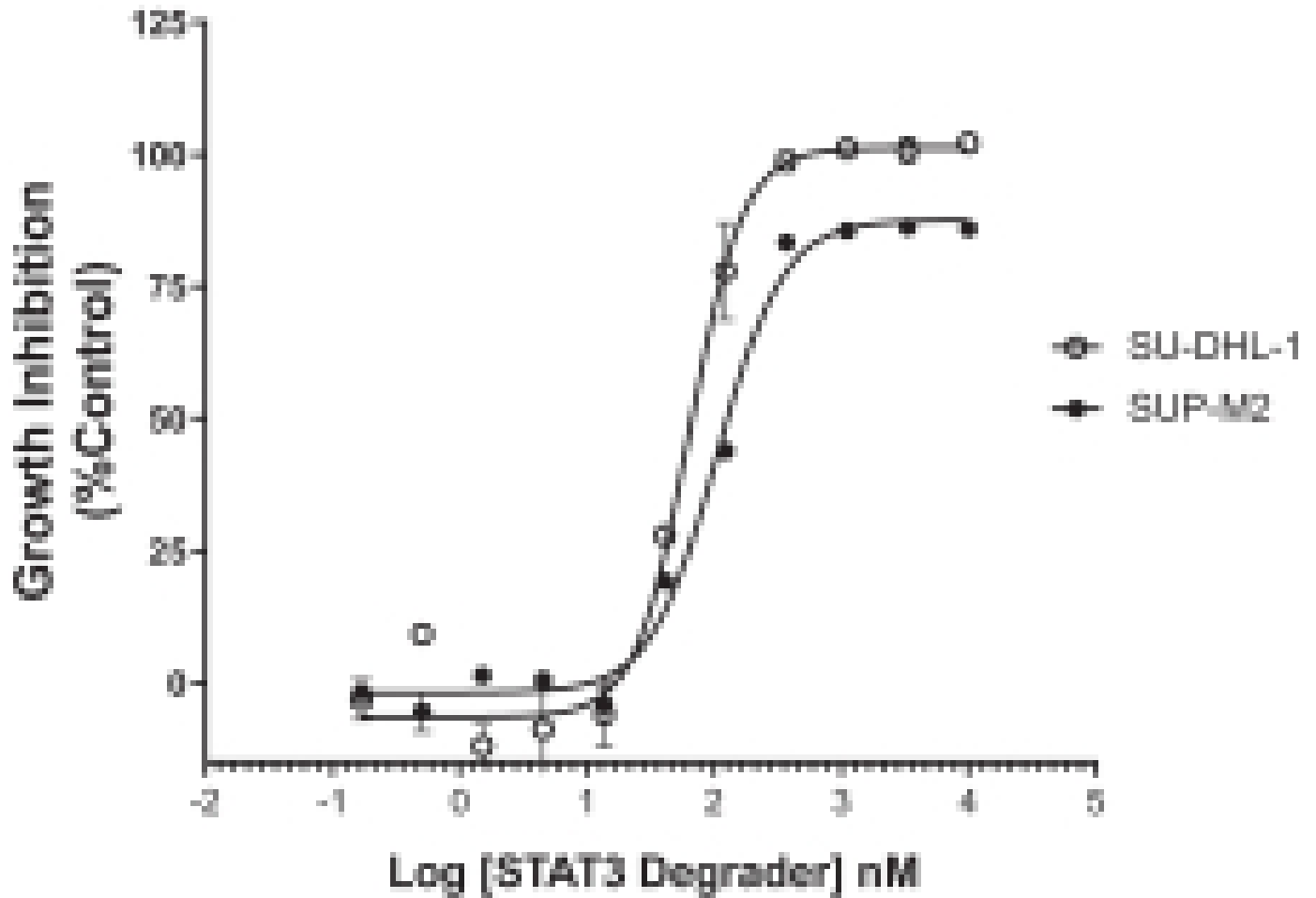
As STAT3 plays a role in regulating gene expression, we measured the expression of downstream target genes in SU-DHL-1 cells treated with our STAT3 degrader. As shown in Figure 28 below, treatment with our STAT3 degrader for 24 hours also led to significant downregulation of STAT3 target genes, such as SOCS3 and MYC, with IC₅₀ of 36 and 37 nM, respectively.

Figure 28. Effect of Our STAT3 Degrader on STAT3-Dependent Gene Expression in SU-DHL-1 Cells.



In order to assess the impact of STAT3 degradation on viability of lymphoma cells, we treated SU-DHL-1 and SUP-M2 cells with our STAT3 degrader for 96 hours and evaluated cell growth inhibition. As shown in Figure 29 below, our STAT3 degrader potently inhibited the growth of both SU-DHL-1 and SUP-M2 cells with IC₅₀ values of 64 and 105 nM, respectively. Additionally, a separate *in vitro* experiment revealed that 48 hours compound treatment with greater than 90% degradation led to the complete inhibition of cell growth.

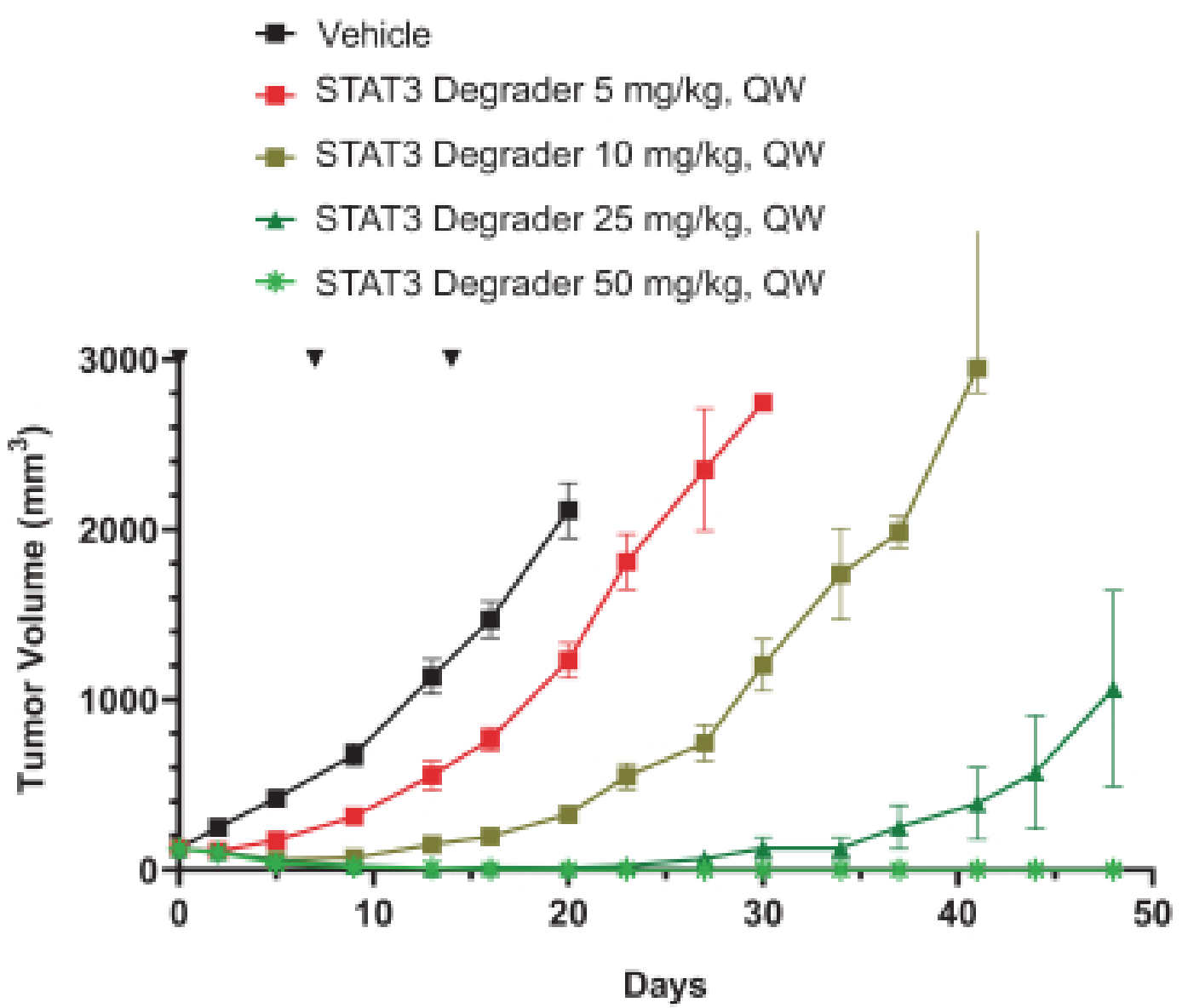
Figure 29. Growth Inhibition of SU-DHL-1 and SUP- M2 Cell Lines Upon Treatment with Our STAT3 Degradar.



Hematologic Malignancies—In Vivo Data

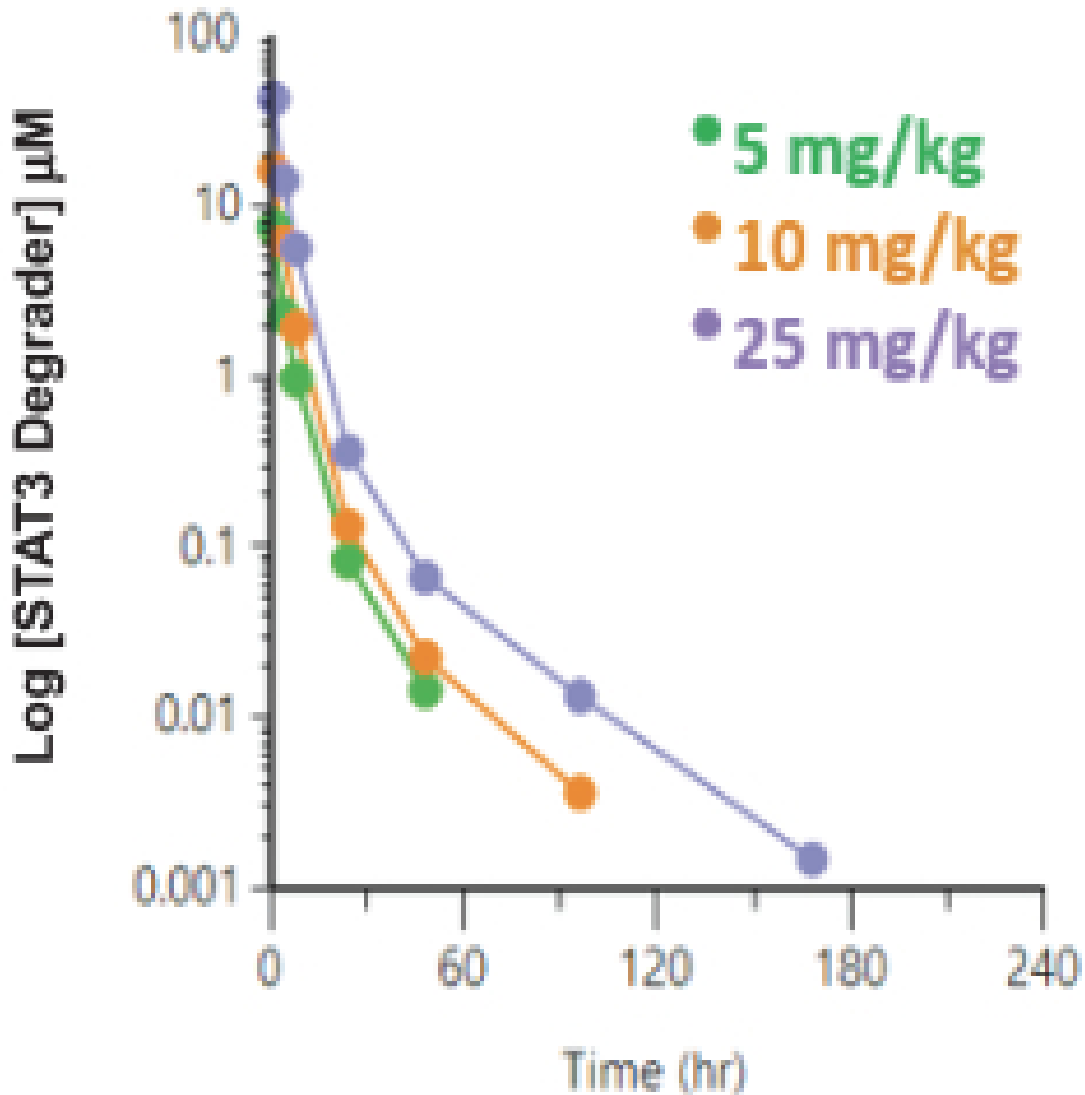
To evaluate the *in vivo* activity of our STAT3 degrader, we used the ALK+ ALCL SU-DHL-1 xenograft mouse model. Mice were administered our STAT3 degrader intravenously once a week and monitored for tumor volume over time. As shown in Figure 30 below, our STAT3 degrader showed tumor responses with complete regressions and durable responses when dosed at 50mg/kg dose.

Figure 30. Regression in SU-DHL-1 Xenograft Tumors Upon Weekly Dosing of Our STAT3 Degradar.



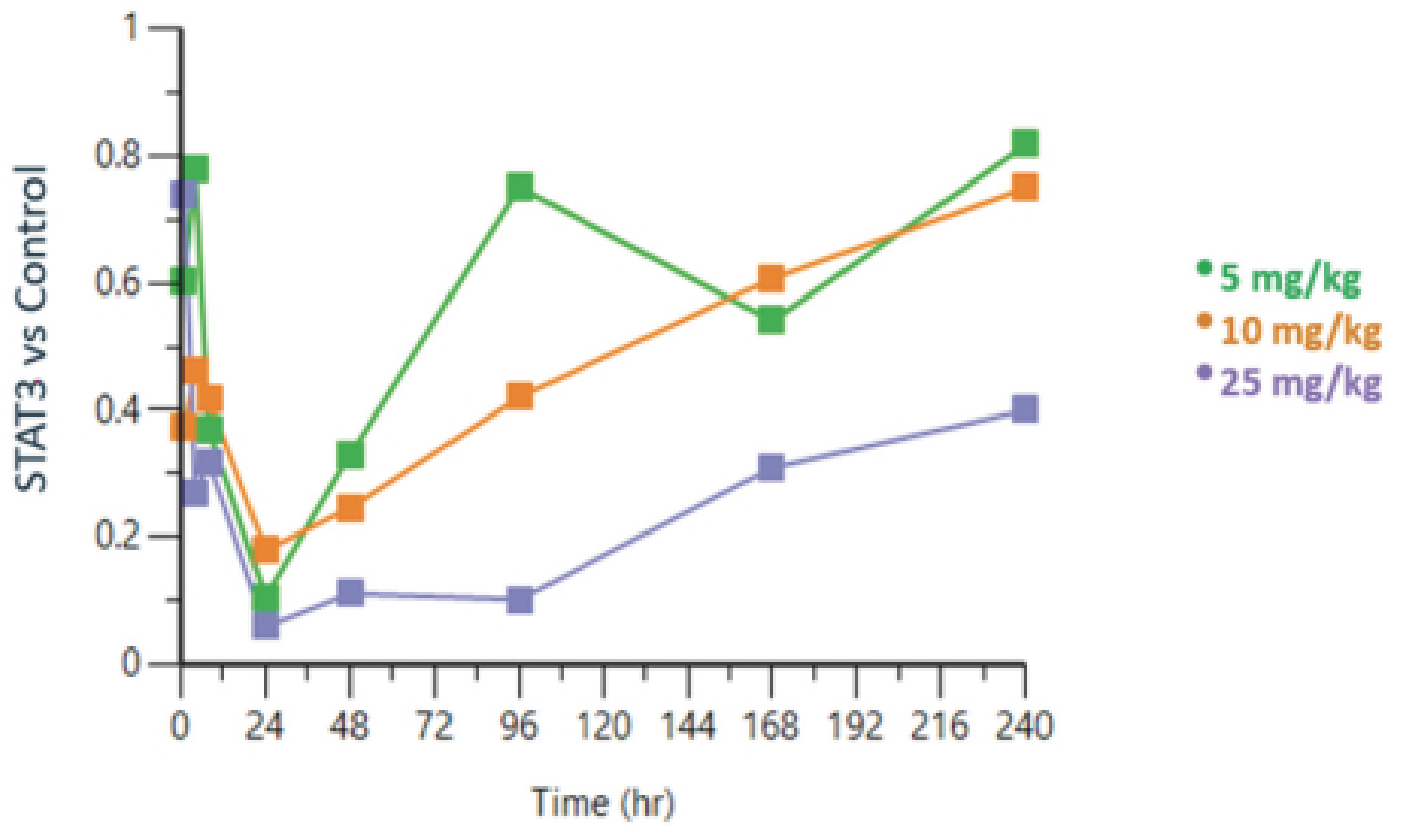
We characterized the degradation profile of STAT3 in a SU-DHL-1 mouse xenograft model following single intravenous administration. Our STAT3 degrader exhibited a dose-dependent increase in plasma across the dose range of 5 to 25 mg/kg (Figure 31).

Figure 31. Dose-Dependent Plasma Exposure in SU-DHL-1 Xenograft Mice Upon Single IV Dose of Our STAT3 Degrader.



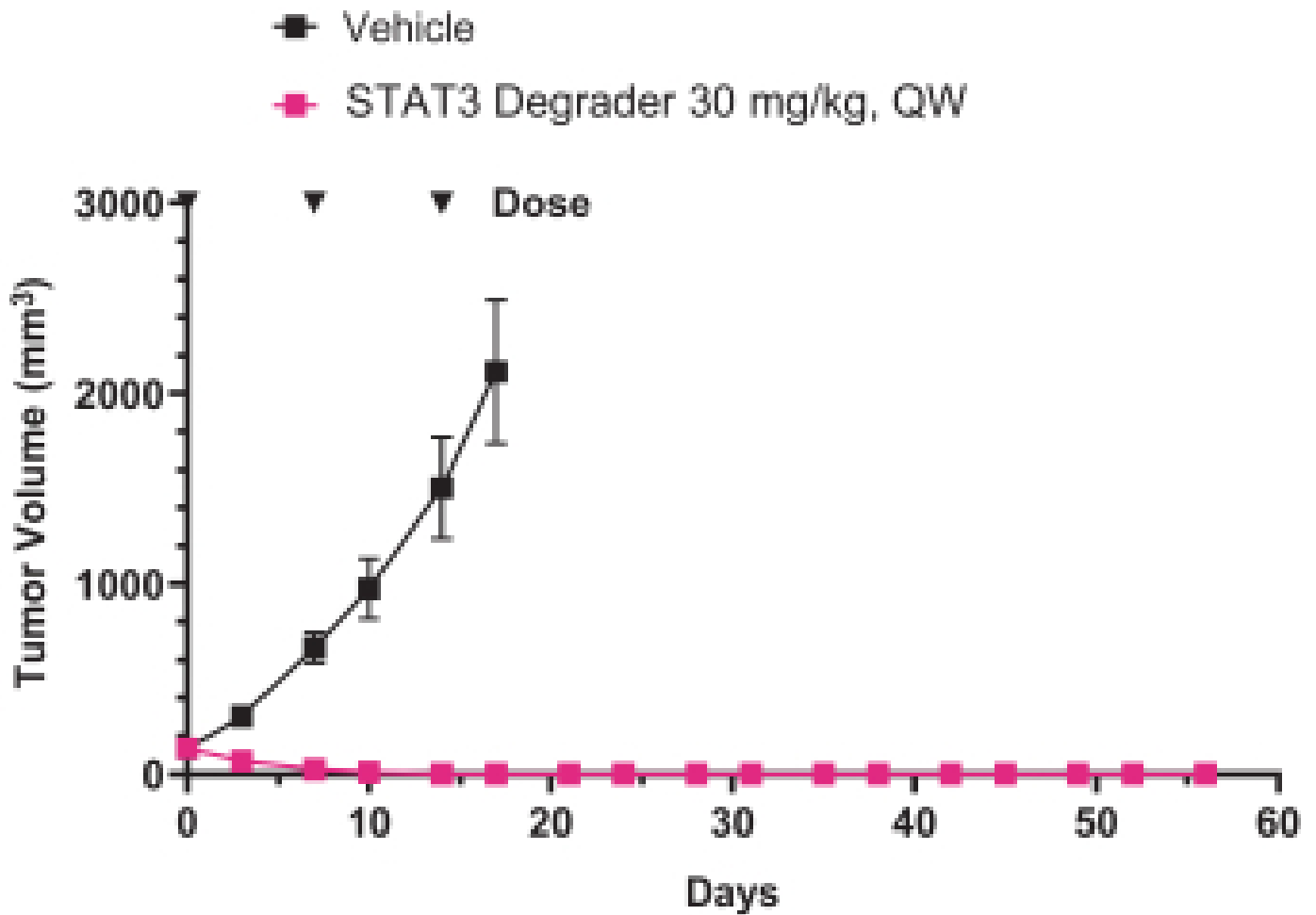
We assessed STAT3 degradation in tumors with our STAT3 degrader as a measure of pharmacodynamic effect and showed a dose-dependent reduction with maximal degradation of greater than 90% after 24 hours of a single intravenous administration. At 25 mg/kg, STAT3 levels in tumor were still below 50% of baseline ten days post-dose (Figure 32). The data demonstrated that tumor response was dependent on both the level and duration of STAT3 knockdown.

Figure 32. Dose-Dependent Reduction of STAT3 in SU-DHL-1 Xenograft Mice Upon Single IV Dose of Our STAT3 Degrader.



To confirm the anti-tumor activity of our STAT3 degrader in additional STAT3-driven ALK+ ALCL models, we evaluated the effects of the degrader in the SUP-M2 xenograft model. Mice were dosed with 30mg/kg of our STAT3 degrader intravenously once a week for 3 weeks and monitored for tumor volume over time. As shown in Figure 33 below, our STAT3 degrader induced complete regression of SUP-M2 tumors that was durable for multiple weeks after the last dose.

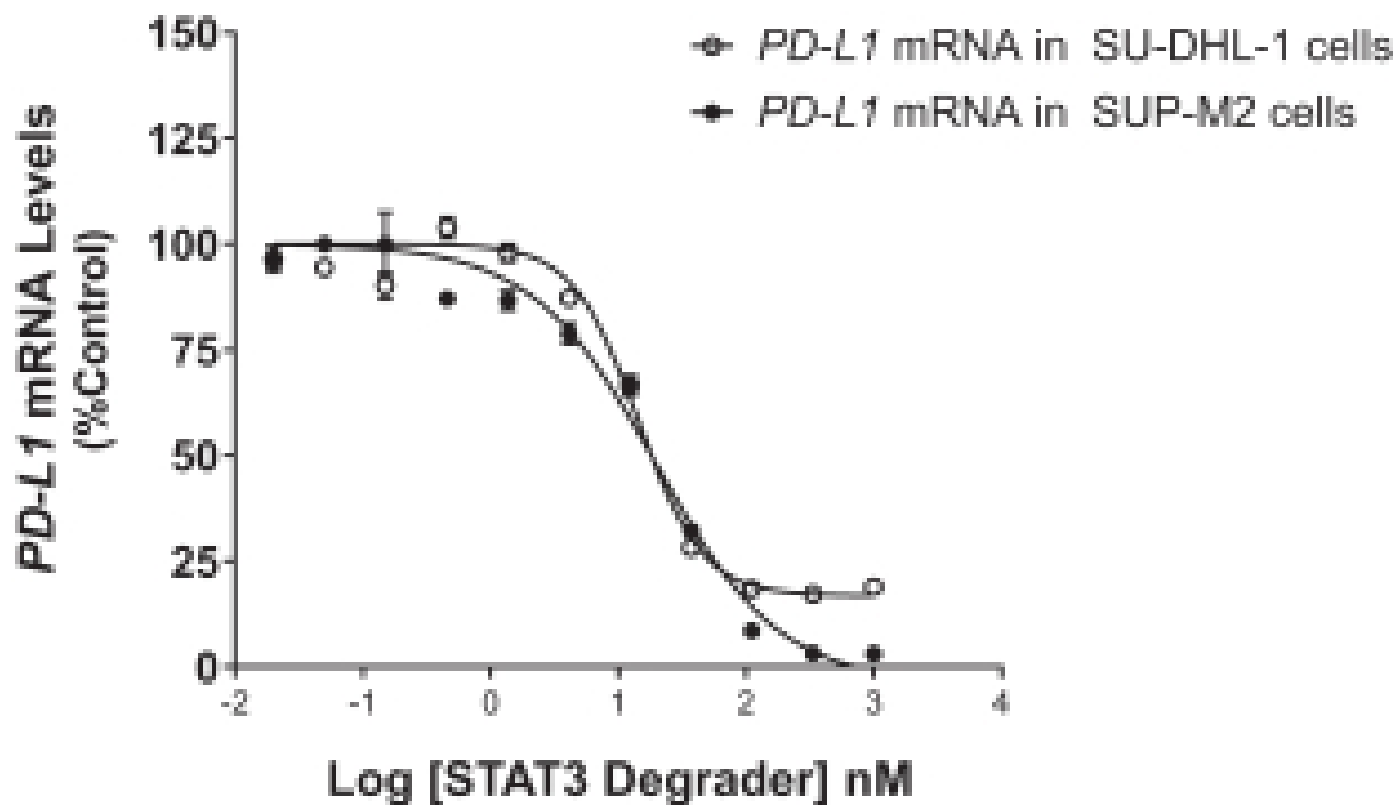
Figure 33. Regression in SUP-M2 Xenograft Tumors Upon Weekly Dosing of Our STAT3 Degrader.



Immuno-Oncology Mechanism—In Vitro Data

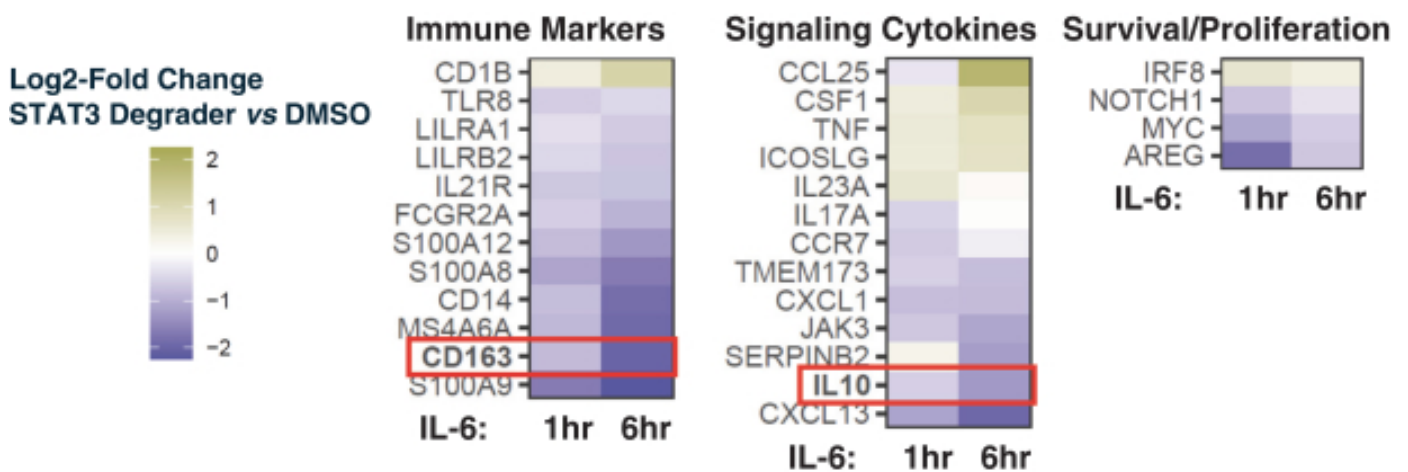
STAT3 degradation with our STAT3 degrader has demonstrated tumor-intrinsic and tumor-extrinsic effects that may contribute towards restoring an immune-permissive tumor microenvironment. A mechanism by which tumor cells evade immune surveillance is through increased expression of PD-L1 that interacts with PD-1, an immune checkpoint protein expressed on activated T cells that leads to the inhibition of T cell function. As shown in Figure 34 below, treatment of SU-DHL-1 or SUP-M2 ALC cells with our STAT3 degrader for 24 hours reduced transcription of PD-L1 mRNA indicating that STAT3 degradation may reverse a key tumor-intrinsic mechanism for immune suppression.

Figure 34. Reduced Transcription of PD-L1 mRNA Upon 24 Hour Dose of Our STAT3 Degrader.



To assess the effect of STAT3 on the gene expression of immune-suppressive cytokines and immune-regulatory factors, we stimulated hPBMC with IL-6 in the presence or absence of our STAT3 degrader. The results below show that our STAT3 degrader blocked IL-6-induced increases in the expression of genes involved with immune suppression, including immune markers (e.g., CD163), and signaling cytokines (e.g., IL-10) (Figure 35). Collectively, these data show that degradation of STAT3 in tumor and immune cells reverses expression of genes that contribute to immune suppression and highlights the potential of STAT3 degraders as immunotherapies.

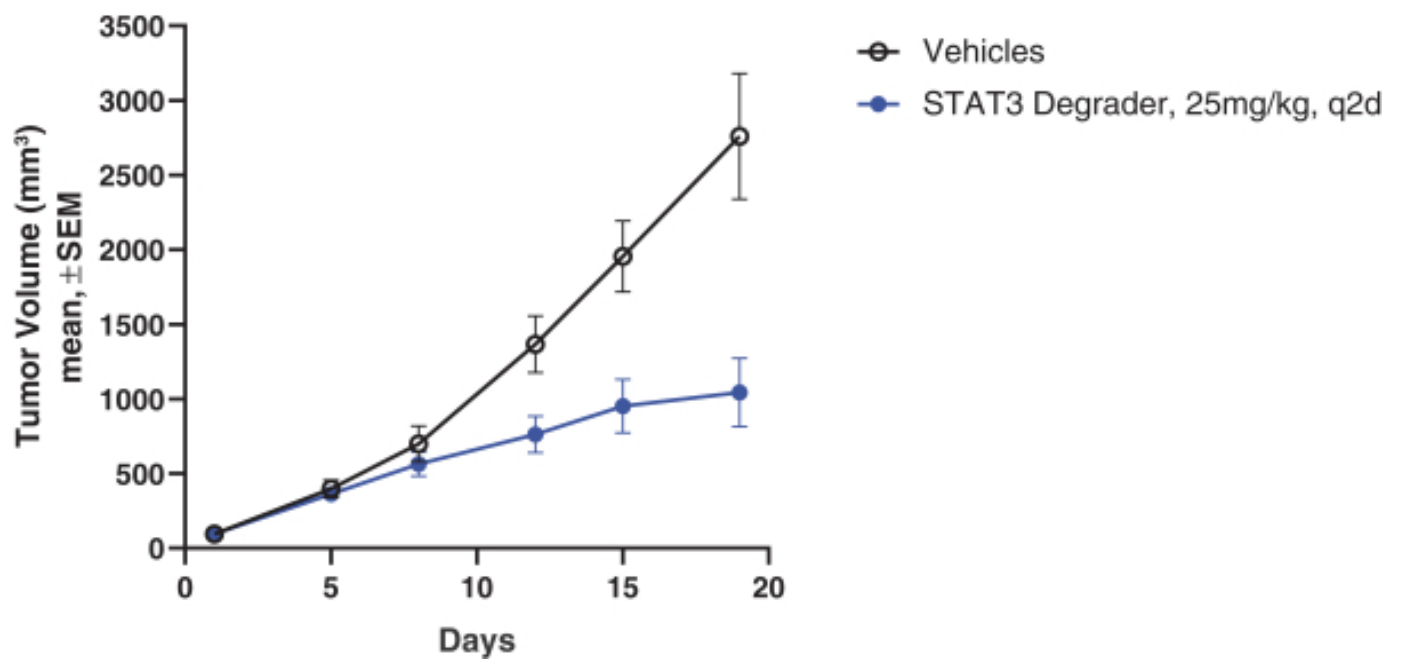
Figure 35. Reduced Gene Expression of Immune-suppressive Cytokines and Immune-regulatory Factors with Our STAT3 Degrader.



Immuno-Oncology Mechanism—In Vivo Data

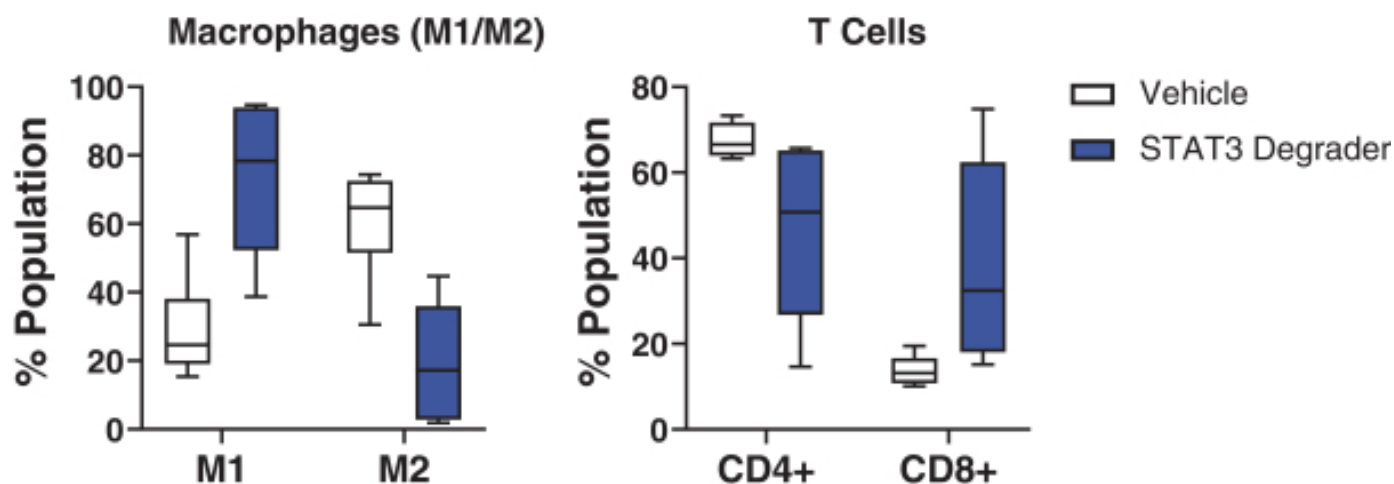
To assess the *in vivo* effect of our STAT3 degrader on modulating tumor immunity, we conducted a study using CT-26 syngeneic colorectal cancer tumors known to be refractory to approved immunotherapies like PD-1 and PD-L1. We observed that our STAT3 degrader significantly reduced tumor growth when administrated every two days at 25 mg/kg (Figure 36).

Figure 36. Modulating Tumor Immunity with Our STAT3 Degrader.



We performed flow cytometry analysis of tumors from the same study to assess whether the anti-tumor effect was related to changes in the abundance of infiltrating immune cells in the tumor. The results showed a decreased number of immuno-suppressive M2 macrophages and CD4⁺ T cells relative to the vehicle and an increased number of anti-tumor M1 macrophages and cytolytic effector CD8⁺ T cells relative to the vehicle (Figure 37). The data demonstrate a synergistic modulation of immune cells within the tumor microenvironment to favor an anti-tumor response.

Figure 37. Synergistic Modulation of Immune Cells within Tumor Microenvironment.



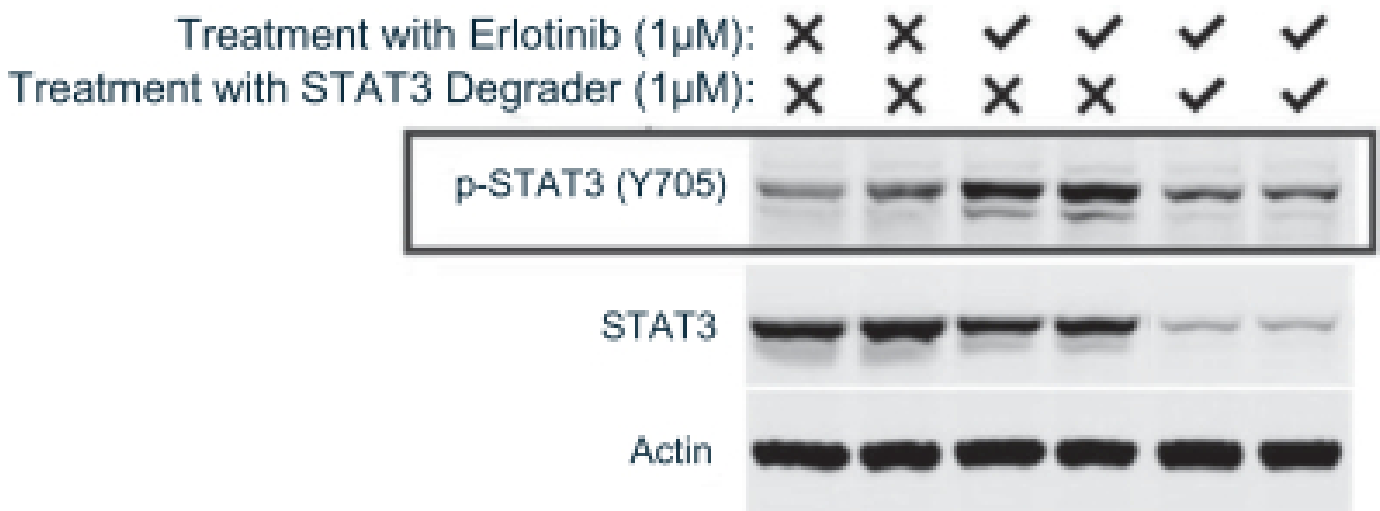
We believe these results demonstrate the favorable immunomodulatory effects of STAT3 downregulation in both tumor cells and the tumor microenvironment associated with antitumor activity, underscoring the therapeutic potential of STAT3 degraders in oncology based on both tumor cell intrinsic and extrinsic biology.

Cell Intrinsic Mechanism in Solid Tumors

Through its regulation of cell survival genes, STAT3 is activated across a wide range of cancer cells in response to TKIs and chemotherapies. Prolonged activation of STAT3 is associated with selection for tumor cells that are tolerant to the therapy, eventually leading to resistance and disease progression. A STAT3 degrader could therefore be used in combination with TKIs and/or chemotherapy, either upfront as a way to deepen and maintain response to first-line treatment, or as an add-on in second-line therapy to overcome acquired resistance to frontline therapy.

In EGFR mutant non-small cell lung cancer, or NSCLC, treatment with an EGFR kinase inhibitor such as erlotinib leads to upregulation of p-STAT3 indicating STAT3 activation. This is not observed in EGFR wild type NSCLC, pointing to STAT3 as a potential resistance mechanism. In fact, when we treated the EGFR mutant NSCLC cell line H1650 with erlotinib, we observed an upregulation of p-STAT3 which was reversed in the presence of our STAT3 degrader. We are expanding these efforts to *in vivo* studies to complete our preclinical research to validate STAT3 degradation as a new mechanism for first line EGFR mutant therapy in NSCLC.

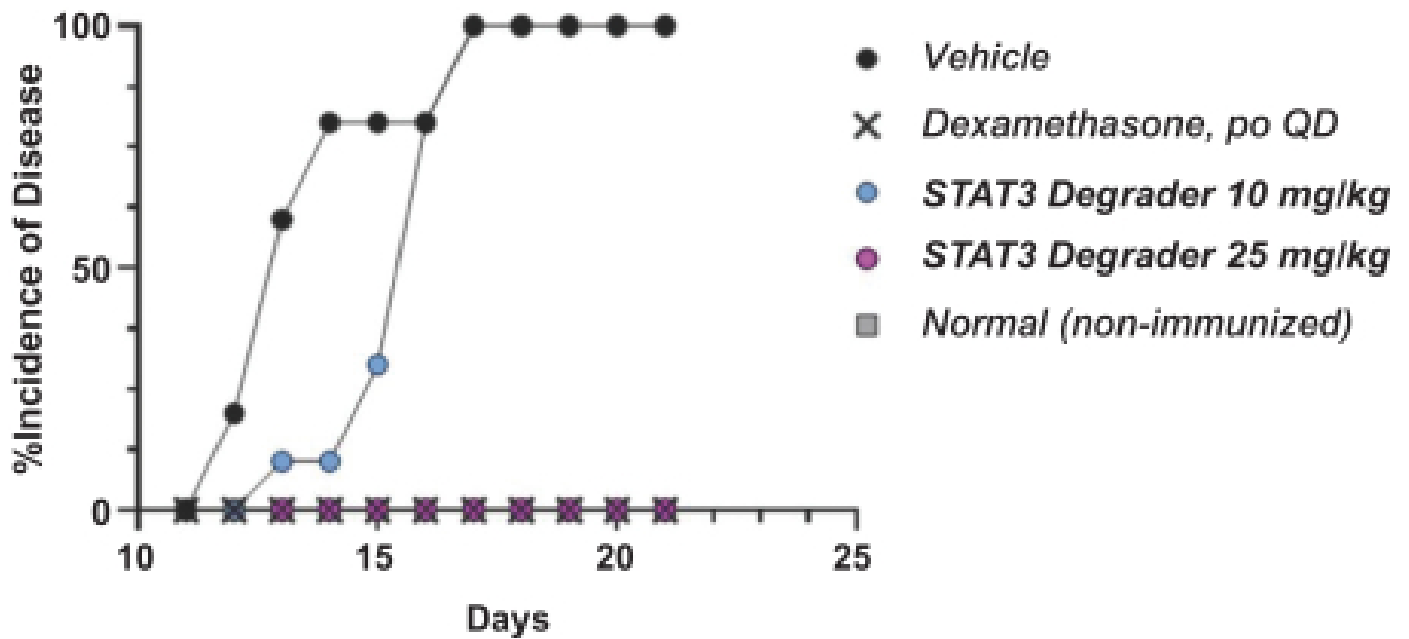
Figure 38. STAT3 degrader reverses pSTAT3 upregulation when administered in combination with an EGFR inhibitor.



Autoimmunity

We are also exploring the effects of STAT3 in several immunology-inflammation *in vitro* and *in vivo* models. In a preclinical model of experimental autoimmune encephalomyelitis, our STAT3 degrader was able to completely prevent the onset of the disease in mice and was equivalent to steroid treatment with dexamethasone (Figure 39). These data, together with *in vitro* mechanisms of action studies that we are conducting, highlight the potential of STAT3 degradation for the treatment of immunology-inflammation disease.

Figure 39. STAT3 Degradation is Highly Active in Experimental Autoimmune Encephalomyelitis Model.



Pre-IND Status and Next Steps

Our STAT3 program is currently in preclinical development, and we expect to file an IND with the FDA and initiate a Phase 1a trial in the second half of 2021. Our Phase 1a clinical trial in hematological malignancies and solid tumors is expected to include dose escalation and assess safety, tolerability, pharmacokinetics, pharmacodynamics, and preliminary clinical activity. We expect that our Phase 1b clinical trial using the optimal dose and schedule from Phase 1a will include multiple expansion cohorts intended to assess clinical activity across different STAT3-dependent hematologic malignancies and solid tumors. We believe early development

data from our STAT3 degraders in oncology will help inform subsequent development in autoimmunity and fibrosis indications.

Other Programs

Our focus on key undrugged or inadequately drugged nodes within therapeutically validated pathways combined with the target and disease agnostic features of our Pegasus platform gives us opportunity to develop new therapies across various therapeutic areas. We are taking advantage of our proprietary E3 Ligase Whole-Body Atlas on the differential expression profile of E3 ligases to pursue targets that can benefit from potentially tissue-restricted degradation. Our early pipeline includes programs in genetically defined oncology and immunology indications. Through our Vertex collaboration, we are engaged in the discovery of additional targets that are able to fully leverage our aforementioned capabilities and expand our impact across several diseases outside of oncology and immunology.

Collaborations

Master Collaboration Agreement with Vertex Pharmaceuticals Incorporated

On May 9, 2019, we entered into a collaboration agreement with Vertex, focused on the research and development of our small molecule targeted protein degraders against multiple targets in disease areas outside our core strategic focus. The collaboration leverages our expertise in targeted protein degradation and our Pegasus platform as well as Vertex's scientific, clinical, and regulatory capabilities to accelerate the development of first-in-class medicines for people with serious diseases. We refer to this agreement as the Vertex Agreement.

Under the terms of the Vertex Agreement, we conduct research activities in multiple targets pursuant to an agreed-upon research plan. Upon designation of a clinical development candidate, Vertex has the option to exclusively license molecules against the designated target. We are eligible to receive an aggregate of up to \$170 million in potential payments per licensing product based upon the successful achievement of specified research, development, regulatory and commercial milestones, as well as option exercise payments, for up to six (6) programs optioned by Vertex for licensing as part of the collaboration. No milestones have been achieved to date under the Vertex Agreement.

In addition, Vertex will pay low single-digit royalties on future net sales on any products that may result from the commercialization of the licensed molecules. Vertex's royalty obligations are on a product-by-product and country-by-country basis and are subject to certain reductions, including (i) in the event that the exploitation of a product is not covered by a valid claim with the licensed patent rights and (ii) in the event of third parties achieving specifically negotiated levels of competitive market share. Such royalty obligations will expire on a country-by-country and product-by-product basis upon the later of (a) the expiration of the last patent which covers a product in such country, (b) the expiration of any exclusivity granted by a regulatory authority and (c) ten (10) years following the first commercial sale of a product in such country. No additional payments have been made by Vertex under the Vertex Agreement to date.

As initial consideration for the collaboration, Vertex paid us \$70 million upfront including an equity investment in us through the purchase of 3,059,695 shares of our Series B-1 preferred stock. In connection with its equity investment, Vertex holds certain rights to invest, in its sole discretion, in future private placements or public securities offerings by Kymera, including this offering, on a pro rata basis and subject to certain conditions.

Under the Vertex Agreement, the parties established a joint advisory committee, or JAC. The JAC will, among other responsibilities, review and oversee, certain strategic activities performed under the Vertex Agreement, including reviewing the research plan and budget for the research activities and reviewing the research activities performed by each party.

The initial research term of the collaboration is four years, extendable for an additional one-year period upon mutual agreement by the parties and payment by Vertex of certain per-target fees.

The Vertex Collaboration Agreement may be terminated by Vertex either in its entirety or on a target-by-target basis, upon prior written notice to Kymera. Either party may terminate the collaboration agreement upon the other party's material breach, subject to specified notice and cure provisions, or upon the bankruptcy, insolvency, dissolution or winding up of the other party. Kymera also has the right to terminate the agreement with respect to a certain target upon 30 days' prior written notice in the event that Vertex ceases all research, development and commercialization activities related to such target for a certain period of time, provided that the cessation is not the result of events outside of Vertex's control.

Manufacturing / Supply Chain

We do not own or operate manufacturing facilities for the production of our drug candidates and currently have no plans to build our own clinical or commercial scale manufacturing capabilities. We currently engage with third-party contract manufacturing organizations, or CMOs, for the manufacture of our drug candidates for preclinical studies, and we intend to continue to do so in the future. We rely on and expect to continue to rely on third-party manufacturers for the production of both drug substance and finished drug product. We have engaged third-party manufacturers to supply the drug substances for our drug candidates and a third-party manufacturer to develop and manufacture finished drug product for KT-474 that we plan to use in our Phase 1 clinical trial. We currently obtain our supplies from these manufacturers on a purchase order basis and do not have long-term supply arrangements in place. Should any of these manufacturers become unavailable to us for any reason, we believe that there are a number of potential replacements, although we may incur some delay in identifying and qualifying such replacements.

All of our drug candidates are organic compounds of low molecular weight, generally called small molecules, but which are larger than traditional small molecule therapeutics. We have selected these compounds not only on the basis of their potential efficacy and safety, but also because we anticipate an ease of synthesis and cost of goods. Processes for producing drug substances and drug product for KT-474 are currently being developed, with the goal of achieving reliable, reproducible, and cost-effective production from readily available starting materials. The drug substance and drug product processes are amenable to scale-up and do not require unusual equipment in the manufacturing process. To adequately meet our needs for late-stage clinical and commercial manufacturing, our suppliers will need to scale their production or we will need to secure alternate suppliers.

Competition

The biotechnology industry is extremely competitive in the race to develop new products. While we believe we have significant competitive advantages with our industry-leading expertise in targeted protein degradation, clinical development expertise, and dominant intellectual property position, we currently face and will continue to face competition for our development programs from companies that use targeted protein degradation or targeted protein degradation development platforms, and from companies focused on more traditional therapeutic modalities such as small molecules and antibodies. The competition is likely to come from multiple sources, including larger pharmaceutical companies, biotechnology companies, and academia.

Competitors in our efforts to develop small molecule protein degraders therapies for patients, include, but are not limited to, Arvinas, Inc., which is in clinical development, and Nurix Therapeutics, Inc., C4 Therapeutics, Inc., and Vividion Therapeutics, Inc., each of which is in preclinical development. Further, several large pharmaceutical companies have disclosed preclinical investments in this field. Our competitors will also include companies that are or will be developing other targeted protein degradation methods as well as small molecule, antibody, or gene therapies for the same indications that we are targeting. In addition to the competitors we face in developing small molecule protein degraders, we will also face competition in the indications we expect to

pursue with our IRAK4, IRAK1MiD and STAT3 programs. Many of these indications already have approved standards of care which may include more traditional therapeutic modalities. In order to compete effectively with these existing therapies, we will need to demonstrate that our protein degrader therapies are favorable to existing therapeutics.

Intellectual Property

Our success depends in part on our ability to secure intellectual property protection for our product candidates and future products, as well as our platform protein degradation technologies and any other relevant inventions and improvements that are considered commercially important to our business. Our success also depends on our ability to defend and enforce our intellectual property rights, preserve the confidentiality of our proprietary information, and operate without infringing, misappropriating or otherwise violating the valid and enforceable patents and proprietary rights of third parties.

As with other biotechnology and pharmaceutical companies, our ability to secure and maintain intellectual property protection for our product candidates, future products, and other proprietary technologies will depend on our success in obtaining effective patent coverage and enforcing those patents if granted. However, we cannot guarantee that our pending patent applications, and any patent applications that we may in the future file, will result in the issuance of patents, or that any issued patents we may obtain will provide sufficient proprietary protection from competitors. Any issued patents that we obtain may be challenged, invalidated, or circumvented by third parties.

In addition to patents, we also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary technology, in part, through confidentiality agreements and invention assignment agreements with our employees, consultants, scientific advisors, contractors and potential collaborators.

Patent Portfolio

Our intellectual property includes a portfolio of wholly owned patent families covering our platform E3 ligase ligand technology and our novel bifunctional degrader product candidates, including claims to compositions of matter, pharmaceutical compositions, methods of use, methods of treatment, and other related methods. Our intellectual property portfolio is in its very early stages, and, as of May 15, 2020, included 72 U.S. patent applications and 18 foreign patent applications. Our patent portfolio is generally organized into two categories: (1) platform E3 ligase ligand patent families and (2) protein degrader patent families, including various target-specific degrader patent families.

Platform E3 Ligase Ligand Patent Families

Our platform E3 ligase ligand patent families include four patent families directed to novel ligands for the cereblon E3 ubiquitin ligase, as well as methods of treatment and other related methods. As of May 15, 2020, our platform E3 ligase ligand patent families included five U.S. patent applications and three foreign patent applications, including two international patent applications and one patent application in Europe. Any U.S. or foreign patents resulting from these applications, if granted and all appropriate maintenance fees paid, are expected to expire between 2038 and 2040, absent any patent term adjustments or extensions.

Protein Degradation Patent Families

Our protein degrader patent families are directed to novel bifunctional degrader compounds that are useful in affecting ubiquitination of a target protein, as well as methods of treatment and other related methods. As of May 15, 2020, our protein degrader patent families included 26 U.S. patent applications and 12 foreign patent applications, including four international patent applications and eight patent applications filed in Europe,

Australia, Canada, Israel, Japan, Mexico, New Zealand, and the Russian Federation. Any U.S. or foreign patents resulting from these applications, if granted and all appropriate maintenance fees paid, are expected to expire between 2038 and 2041, absent any patent term adjustments or extensions.

Target-Specific Degradation Patent Families

Our target-specific degradation patent families focus protection around degradation compounds that are designed to target specific proteins for degradation, as well as methods of treatment and other related methods. Such targets include IRAK (interleukin-1 receptor-associated kinases) and STAT (signal transducers and activators of transcription). Any U.S. or foreign patents resulting from our target-specific degradation patent families, if granted and all appropriate maintenance fees paid, are expected to expire between 2038 and 2041, absent any patent term adjustments or extensions.

IRAK-Specific Patent Families

Our IRAK-specific patent families include patent families covering degradation compounds that are designed to specifically target IRAK for degradation and patent families covering novel IRAK ligands. As of May 15, 2020, our IRAK-specific patent families included 26 U.S. patent applications and two international patent applications. Any U.S. or foreign patents resulting from our IRAK-specific patent families, if granted and all appropriate maintenance fees paid, are expected to expire between 2038 and 2041, absent any patent term adjustments or extensions.

With respect to the KT-474 product candidate, we own one pending U.S. non-provisional patent application and one pending international patent application, each with claims directed to compositions of matter covering KT-474, and methods of making and using KT-474. Any U.S. or foreign patents resulting from this patent family, if granted and all appropriate maintenance fees paid, are expected to expire in 2039, absent any patent term adjustments or extensions.

STAT-Specific Patent Families

Our STAT-specific patent families focus on degradation compounds that are designed to specifically target signal transducers and activators of transcription (STAT) for degradation. As of May 15, 2020, our STAT-specific patent families included 13 U.S. patent applications, one international patent application, and one patent application in Taiwan. Any U.S. or foreign patents resulting from our STAT-specific patent filings, if granted and all appropriate maintenance fees paid, are expected to expire between 2040 and 2041, absent any patent term adjustments or extensions.

Other Target-Specific Patent Families

As of May 15, 2020, we own 15 U.S. patent applications that focus on degradation compounds designed to specifically target other proteins. Any U.S. or foreign patents resulting from these patent families, if granted and all appropriate maintenance fees paid, are expected to expire in 2040, absent any patent term adjustments or extensions.

The term of individual patents may vary based on the countries in which they are obtained. Generally, patents issued from applications filed in the United States are effective for 20 years from the earliest effective non-provisional filing date. In certain cases, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. The Hatch-Waxman Act permits a patent term extension of up to five years beyond the expiration of the patent, though the total patent term, including any extension, must not exceed 14 years following FDA approval. A patent can only be extended once, such that, if a single patent is applicable to multiple products, it can only be extended based on one product.

The duration of patents outside of the United States varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective national filing date.

Similar patent term extension provisions are available in Europe and other foreign jurisdictions to extend the term of a patent covering an approved drug. When possible, we expect to apply for patent term extensions for patents covering our product candidates and their methods of use.

Trademarks

We intend to file applications for trademark registrations in connection with our product candidates and other technologies in various jurisdictions, including the United States. We have filed for trademark protection of both the KYMERA mark and the KYMERA THERAPEUTICS mark in the United States, Europe, and Canada. We also filed a trademark application in the United States for the mark IRAKIMI[®], for pharmaceutical and medical preparations and therapeutics, as well as diagnostic reagents, for the treatment of oncology, autoimmune, immune-oncology and other related diseases.

Government Regulation

The FDA and other regulatory authorities at federal, state and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs. We, along with our vendors, contract research organizations and contract manufacturers, will be required to navigate the various preclinical, clinical, manufacturing and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval of our product candidates. The process of obtaining regulatory approvals of drugs and ensuring subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources.

In the U.S., the FDA regulates drug products under the Federal Food, Drug, and Cosmetic Act, or FD&C Act, as amended, its implementing regulations and other laws. If we fail to comply with applicable FDA or other requirements at any time with respect to product development, clinical testing, approval or any other legal requirements relating to product manufacture, processing, handling, storage, quality control, safety, marketing, advertising, promotion, packaging, labeling, export, import, distribution, or sale, we may become subject to administrative or judicial sanctions or other legal consequences. These sanctions or consequences could include, among other things, the FDA's refusal to approve pending applications, issuance of clinical holds for ongoing studies, withdrawal of approvals, warning or untitled letters, product withdrawals or recalls, product seizures, relabeling or repackaging, total or partial suspensions of manufacturing or distribution, injunctions, fines, civil penalties or criminal prosecution.

The process required by the FDA before our product candidates are approved as drugs for therapeutic indications and may be marketed in the U.S. generally involves the following:

- completion of extensive preclinical studies in accordance with applicable regulations, including studies conducted in accordance with good laboratory practice, or GLP, requirements;
- submission to the FDA of an IND application, which must become effective before clinical trials may begin;
- approval by an institutional review board, or IRB, or independent ethics committee at each clinical trial site before each trial may be initiated;
- performance of adequate and well-controlled clinical trials in accordance with applicable IND regulations, good clinical practice, or GCP, requirements and other clinical trial-related regulations to establish the safety and efficacy of the investigational product for each proposed indication;

- submission to the FDA of a NDA;
- a determination by the FDA within 60 days of its receipt of an NDA, to accept the filing for review;
- satisfactory completion of one or more FDA pre-approval inspections of the manufacturing facility or facilities where the drug will be produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;
- potential FDA audit of the clinical trial sites that generated the data in support of the NDA;
- payment of user fees for FDA review of the NDA; and
- FDA review and approval of the NDA, including consideration of the views of any FDA advisory committee, prior to any commercial marketing or sale of the drug in the U.S.

Preclinical Studies and Clinical Trials for Drugs

Before testing any drug in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of drug chemistry, formulation and stability, as well as *in vitro* and animal studies to assess safety and in some cases to establish the rationale for therapeutic use. The conduct of preclinical studies is subject to federal and state regulations and requirements, including GLP requirements for safety/toxicology studies. The results of the preclinical studies, together with manufacturing information and analytical data must be submitted to the FDA as part of an IND. An IND is a request for authorization from the FDA to administer an investigational product to humans and must become effective before clinical trials may begin. Some long-term preclinical testing may continue after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises concerns or questions about the conduct of the clinical trial, including concerns that human research patients will be exposed to unreasonable health risks, and imposes a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Submission of an IND may result in the FDA not allowing clinical trials to commence or not allowing clinical trials to commence on the terms originally specified in the IND.

The clinical stage of development involves the administration of the product candidate to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with GCP requirements, which include the requirements that all research patients provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria and the parameters and criteria to be used in monitoring safety and evaluating effectiveness. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an IRB for each institution at which the clinical trial will be conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable related to the anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative, and must monitor the clinical trial until completed. The FDA, the IRB or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the patients are being exposed to an unacceptable health risk. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trials to public registries. Information about applicable clinical trials, including clinical trial results, must be submitted within specific timeframes for publication on the www.clinicaltrials.gov website.

A sponsor who wishes to conduct a clinical trial outside of the U.S. may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. If a foreign clinical trial is not conducted under an IND, the sponsor must submit data from the clinical trial to the FDA in support of an NDA. The FDA will accept a well-designed and well-conducted foreign clinical trial not conducted under an IND if the trial was conducted in accordance with GCP requirements, and the FDA is able to validate the data through an onsite inspection if deemed necessary.

Clinical trials to evaluate therapeutic indications to support NDAs for marketing approval are typically conducted in three sequential phases, which may overlap.

- *Phase I*—Phase I clinical trials involve initial introduction of the investigational product into healthy human volunteers or patients with the target disease or condition. These studies are typically designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, excretion the side effects associated with increasing doses, and, if possible, to gain early evidence of effectiveness.
- *Phase II*—Phase II clinical trials typically involve administration of the investigational product to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks.
- *Phase III*—Phase III clinical trials typically involve administration of the investigational product to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval and physician labeling.

Post-approval trials, sometimes referred to as Phase IV clinical trials, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication and are commonly intended to generate additional safety data regarding use of the product in a clinical setting. In certain instances, the FDA may mandate the performance of Phase IV clinical trials as a condition of approval of an NDA.

Progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA. Written IND safety reports must be submitted to the FDA and the investigators fifteen days after the trial sponsor determines the information qualifies for reporting for serious and unexpected suspected adverse events, findings from other studies or animal or *in vitro* testing that suggest a significant risk for human volunteers and any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must also notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than seven calendar days after the sponsor's initial receipt of the information.

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

U.S. Marketing Approval for Drugs

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA requesting approval to market the product for one or more indications. An NDA must contain proof of the drug's safety and efficacy in order to be approved. The marketing application may include both negative and ambiguous results of preclinical studies and clinical trials, as well as positive findings. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a product's use or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational product to the satisfaction of the FDA. FDA approval of an NDA must be obtained before a drug may be marketed in the U.S.

The FDA reviews all submitted NDAs before it accepts them for filing and may request additional information rather than accepting the NDA for filing. The FDA must make a decision on accepting an NDA for filing within 60 days of receipt, and such decision could include a refusal to file by the FDA. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the NDA. The FDA reviews an NDA to determine, among other things, whether the drug is safe and effective and whether the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity. Under the goals and polices agreed to by the FDA under the Prescription Drug User Fee Act, or PDUFA, the FDA targets ten months, from the filing date, in which to complete its initial review of a new molecular entity NDA and respond to the applicant, and six months from the filing date of a new molecular entity NDA for priority review. The FDA does not always meet its PDUFA goal dates for standard or priority NDAs, and the review process is often extended by FDA requests for additional information or clarification.

Further, under PDUFA, as amended, each NDA must be accompanied by a user fee. The FDA adjusts the PDUFA user fees on an annual basis. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. Additionally, no user fees are assessed on NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA also may require submission of a Risk Evaluation and Mitigation Strategy, or REMS, program to ensure that the benefits of the drug outweigh its risks. The REMS program could include medication guides, physician communication plans, assessment plans and/or elements to assure safe use, such as restricted distribution methods, patient registries or other risk-minimization tools.

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

Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP and other requirements and the integrity of the clinical data submitted to the FDA.

After evaluating the NDA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or preclinical testing in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

Even if the FDA approves a product, depending on the specific risk(s) to be addressed it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase IV clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization or impose other conditions, including distribution and use restrictions or other risk management mechanisms under a REMS, which can materially affect the potential market and profitability of the

product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some 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.

Orphan Drug Designation and Exclusivity

Under the Orphan Drug Act of 1983, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the U.S., or if it affects more than 200,000 individuals in the U.S., there is no reasonable expectation that the cost of developing and making the product available in the U.S. for the disease or condition will be recovered from sales of the product. Orphan designation must be requested before submitting an NDA. Orphan designation does not convey any advantage in or shorten the duration of the regulatory review and approval process, though companies developing orphan products are eligible for certain incentives, including tax credits for qualified clinical testing and waiver of application fees.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to a seven-year period of marketing exclusivity during which the FDA may not approve any other applications to market the same therapeutic agent for the same indication, except in limited circumstances, such as a subsequent product's showing of clinical superiority over the product with orphan exclusivity or where the original applicant cannot produce sufficient quantities of product. Competitors, however, may receive approval of different therapeutic agents for the indication for which the orphan product has exclusivity or obtain approval for the same therapeutic agent for a different indication than that for which the orphan product has exclusivity. Orphan product exclusivity could block the approval of one of our products for seven years if a competitor obtains approval for the same therapeutic agent for the same indication before we do, unless we are able to demonstrate that our product is clinically superior. If an orphan designated product receives marketing approval for an indication broader than what is designated, it may not be entitled to orphan exclusivity. Further, orphan drug exclusive marketing rights in the U.S. may be lost if the FDA later determines that the request for designation was materially defective or the manufacturer of the approved product is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Expedited Development and Review Programs for Drugs

The FDA maintains several programs intended to facilitate and expedite development and review of new drugs to address unmet medical needs in the treatment of serious or life-threatening diseases or conditions. These programs include Fast Track designation, Breakthrough Therapy designation, Priority Review and Accelerated Approval, and the purpose of these programs is to either expedite the development or review of important new drugs to get them to patients earlier than under standard FDA development and review procedures.

A new drug is eligible for Fast Track designation if it is intended to treat a serious or life-threatening disease or condition and demonstrates the potential to address unmet medical needs for such disease or condition. Fast Track designation provides increased opportunities for sponsor interactions with the FDA during preclinical and clinical development, in addition to the potential for rolling review once a marketing application is filed, meaning that the agency may review portions of the marketing application before the sponsor submits the complete application, as well as Priority Review, discussed below.

In addition, a new drug may be eligible for Breakthrough Therapy designation if it is intended 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. Breakthrough Therapy designation provides all the features of Fast Track designation in addition to intensive guidance on an efficient drug

development program beginning as early as Phase I, and FDA organizational commitment to expedited development, including involvement of senior managers and experienced review staff in a cross-disciplinary review, where appropriate.

Any product submitted to the FDA for approval, including a product with Fast Track or Breakthrough Therapy designation, may also be eligible for additional FDA programs intended to expedite the review and approval process, including Priority Review designation and Accelerated Approval. A product is eligible for Priority Review if it has the potential to provide a significant improvement in safety or effectiveness in the treatment, diagnosis or prevention of a serious disease or condition. Under priority review, the FDA must review an application in six months compared to ten months for a standard review.

Additionally, products are eligible for Accelerated Approval if they can be shown to have an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or an effect on a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality which 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.

Accelerated Approval is usually contingent on a sponsor's agreement to conduct additional post-approval studies to verify and describe the product's clinical benefit. The FDA may withdraw approval of a drug or indication approved under Accelerated Approval if, for example, the confirmatory trial fails to verify the predicted clinical benefit of the product. In addition, unless otherwise informed by the FDA, the FDA currently requires, as a condition for Accelerated Approval, that all advertising and promotional materials that are intended for dissemination or publication within 120 days following marketing approval be submitted to the agency for review during the pre-approval review period, and that after 120 days following marketing approval, all advertising and promotional materials must be submitted at least 30 days prior to the intended time of initial dissemination or publication.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or the time period for FDA review or approval may not be shortened. Furthermore, Fast Track designation, Breakthrough Therapy designation, Priority Review and Accelerated Approval do not change the scientific or medical standards for approval or the quality of evidence necessary to support approval but may expedite the development or review process.

Pediatric Information and Pediatric Exclusivity

Under the Pediatric Research Equity Act, or PREA, as amended, certain NDAs and certain supplements to an NDA must contain data to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of pediatric data or full or partial waivers. The FD&C Act requires that a sponsor who is planning to submit a marketing application for a drug that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan, or PSP, within 60 days of an end-of-Phase II meeting or, if there is no such meeting, as early as practicable before the initiation of the Phase III or Phase II/III trial. The FDA and the sponsor must reach an agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical trials and/or other clinical development programs.

A drug can also obtain pediatric market exclusivity in the U.S. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric trial or of multiple pediatric trials in accordance with an FDA-issued "Written Request" for such trials.

U.S. Post-Approval Requirements for Drugs

Drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, reporting of adverse experiences with the product, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as “off-label use”) and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available products for off-label uses, manufacturers and individuals working on behalf of manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new NDA or NDA supplement, which may require the development of additional data or preclinical studies and clinical trials.

The FDA may impose a number of post-approval requirements as a condition of approval of an NDA. For example, the FDA may require post-market testing, including Phase IV clinical trials, and surveillance to further assess and monitor the product’s safety and effectiveness after commercialization.

In addition, drug manufacturers and their subcontractors involved in the manufacture and distribution of approved drugs 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, which impose certain procedural and documentation requirements upon us and our contract manufacturers. Failure to comply with statutory and regulatory requirements can subject a manufacturer to possible legal or regulatory action, such as warning letters, suspension of manufacturing, product seizures, injunctions, civil penalties or criminal prosecution. There is also a continuing, annual prescription drug product program user fee.

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, requirements for post-market studies or clinical trials to assess new safety risks, or imposition of distribution or other restrictions under a REMS. 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;
- safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve applications or supplements to approved applications, or withdrawal of product approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- injunctions or the imposition of civil or criminal penalties; and
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs; or mandated modification of promotional materials and labeling and issuance of corrective information.

Regulation of Companion Diagnostics

Companion diagnostics identify patients who are most likely to benefit from a particular therapeutic product; identify patients likely to be at increased risk for serious side effects as a result of treatment with a particular therapeutic product; or monitor response to treatment with a particular therapeutic product for the purpose of adjusting treatment to achieve improved safety or effectiveness. Companion diagnostics are regulated as medical devices by the FDA. In the U.S., the FD&C Act, and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption or FDA exercise of enforcement discretion applies, diagnostic tests generally require marketing clearance or approval from the FDA prior to commercialization. The two primary types of FDA marketing authorization applicable to a medical device are clearance of a premarket notification, or 510(k), and approval of a premarket approval application, or PMA.

To obtain 510(k) clearance for a medical device, or for certain modifications to devices that have received 510(k) clearance, a manufacturer must submit a premarket notification demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device or to a preamendment device that was in commercial distribution before May 28, 1976, or a predicate device, for which the FDA has not yet called for the submission of a PMA. In making a determination that the device is substantially equivalent to a predicate device, the FDA compares the proposed device to the predicate device and assesses whether the subject device is comparable to the predicate device with respect to intended use, technology, design and other features which could affect safety and effectiveness. If the FDA determines that the subject device is substantially equivalent to the predicate device, the subject device may be cleared for marketing. The 510(k) premarket notification pathway generally takes from three to twelve months from the date the application is completed, but can take significantly longer.

A PMA must be supported by valid scientific evidence, which typically requires extensive data, including technical, preclinical, clinical and manufacturing data, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device. For diagnostic tests, a PMA typically includes data regarding analytical and clinical validation studies. As part of its review of the PMA, the FDA will conduct a pre-approval inspection of the manufacturing facility or facilities to ensure compliance with the Quality System Regulation, or QSR, which requires manufacturers to follow design, testing, control, documentation and other quality assurance procedures. The FDA's review of an initial PMA is required by statute to take between six months, although the process typically takes longer, and may require several years to complete. If the FDA evaluations of both the PMA and the manufacturing facilities are favorable, the FDA will either issue an approval letter or an approvable letter, which usually contains a number of conditions that must be met in order to secure the final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny the approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. Once granted, PMA approval may be withdrawn by the FDA if compliance with post-approval requirements, conditions of approval or other regulatory standards is not maintained or problems are identified following initial marketing.

On July 31, 2014, the FDA issued a final guidance document addressing the development and approval process for "In Vitro Companion Diagnostic Devices." According to the guidance document, for novel therapeutic products that depend on the use of a diagnostic test and where the diagnostic device could be essential for the safe and effective use of the corresponding therapeutic product, the premarket application for the companion diagnostic device should be developed and approved or cleared contemporaneously with the therapeutic, although the FDA recognizes that there may be cases when contemporaneous development may not be possible. However, in cases where a drug cannot be used safely or effectively without the companion diagnostic, the FDA's guidance indicates it will generally not approve the drug without the approval or clearance of the diagnostic device. The FDA also issued a draft guidance in July 2016 setting forth the principles for

co-development of an in vitro companion diagnostic device with a therapeutic product. The draft guidance describes principles to guide the development and contemporaneous marketing authorization for the therapeutic product and its corresponding in vitro companion diagnostic.

Once cleared or approved, the companion diagnostic device must adhere to post-marketing requirements including the requirements of the FDA's QSR, adverse event reporting, recalls and corrections along with product marketing requirements and limitations. Like drug makers, companion diagnostic makers are subject to unannounced FDA inspections at any time during which the FDA will conduct an audit of the product(s) and our facilities for compliance with its authorities.

Other Regulatory Matters

Manufacturing, sales, promotion and other activities of product candidates following product approval, where applicable, or commercialization are also subject to regulation by numerous regulatory authorities in the U.S. in addition to the FDA, which may include the Centers for Medicare & Medicaid Services, or CMS, other divisions of the Department of Health and Human Services, the Department of Justice, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency and state and local governments and governmental agencies.

Current and Future Healthcare Reform Legislation

In the United States and in some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes intended to broaden access to healthcare, improve the quality of healthcare, and contain or lower the cost of healthcare. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or ACA, among other things, subjects products to potential competition by lower-cost products, expands the types of entities eligible for the 340B drug discount program, addresses 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, increases rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, establishes annual fees and taxes on manufacturers of certain branded prescription drugs, and creates a Medicare Part D coverage gap discount program for certain Medicare Part D beneficiaries, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, or BBA, effective as of January 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

Since its enactment, there have been judicial, administrative, executive and Congressional legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. For example, various portions of the ACA are currently undergoing constitutional challenges in the U.S. Supreme Court, the Trump Administration has issued various Executive Orders eliminating cost sharing subsidies and various provisions that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices, and Congress has introduced several pieces of legislation aimed at significantly revising or repealing the ACA. It is unclear whether the ACA will be overturned, repealed, replaced, or further amended. We cannot predict what affect further changes to the ACA would have on our business.

Other federal health reform measures have been proposed and adopted in the U.S. since the ACA was enacted, including but not limited to the following:

- The Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. Specifically, the 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 to Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments, including the BBA, will remain in effect through 2030, unless additional Congressional action is taken. However, pursuant to the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, the 2% Medicare sequester reductions will be suspended from May 1, 2020 through December 31, 2020 due to the COVID-19 pandemic.

- The American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.
- The Middle Class Tax Relief and Job Creation Act of 2012 required that CMS reduce the Medicare clinical laboratory fee schedule by 2% in 2013, which served as a base for 2014 and subsequent years. In addition, effective January 1, 2014, CMS also began bundling the Medicare payments for certain laboratory tests ordered while a patient received services in a hospital outpatient setting.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. Recently, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. Such scrutiny has resulted in several recent U.S. Congressional inquiries, and has further resulted in proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for products. For example, at the federal level, the Trump administration's budget proposal for fiscal year 2021 includes a \$135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. On March 10, 2020, the Trump administration sent "principles" for drug pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Additionally, the Trump administration previously released a "Blueprint," or plan, to lower drug prices and reduce the out of pocket cost of drugs. The Blueprint contained proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. HHS has solicited feedback on some of these measures and has implemented others under its existing authority. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization, for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019. Additionally, in December 2019, the FDA issued a notice of proposed rulemaking that, if finalized, would allow for the importation of certain prescription drugs from Canada. FDA also issued a draft guidance document outlining a potential pathway for manufacturers to obtain an additional National Drug Code, or NDC, for an FDA-approved drug that was originally intended to be marketed in a foreign country and that was authorized for sale in that foreign country. The regulatory and market implications of the notice of proposed rulemaking and draft guidance are unknown at this time, but legislation, regulations or policies allowing the reimportation of drugs, if enacted and implemented, could decrease the price we receive for our products and adversely affect our future revenues and prospects for profitability. Although a number of these, and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

At the state level, legislatures have also been 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.

Third-Party Payor Coverage and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. In the U.S. and markets in other countries, sales of any products for which we may receive regulatory marketing approval for commercial sale will depend, in part, on the availability of coverage and reimbursement from third-party payors. Third-party payors include government healthcare programs (e.g., Medicare, Medicaid), managed care providers, private health insurers, health maintenance organizations and other organizations. These third-party payors decide which medications they will pay for and will establish reimbursement levels. The availability of coverage and extent of reimbursement by governmental and other third-party payors is essential for most patients to be able to afford treatments such as targeted protein degradation therapies.

In the United States, the principal decisions about reimbursement for new medicines are typically made by CMS. CMS decides whether and to what extent our products will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. Factors payors consider in determining reimbursement are based on whether the product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Our ability to successfully commercialize our product candidates will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from third-party payors. Moreover, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved.

In the U.S., no uniform policy exists for coverage and reimbursement for products among third-party payors. Therefore, decisions regarding the extent of coverage and amount of reimbursement to be provided can differ significantly from payor to payor. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the reimbursement rate a payor will pay for the product. One third-party payor's decision to cover a particular product or service does not ensure that other payors will also provide coverage for the medical product or service. Third-party payors may limit coverage to specific products on an approved list or formulary, which may not include all FDA-approved products for a particular indication. Also, third-party payors may refuse to include a particular branded product on their formularies or otherwise restrict patient access to a branded drug when a less costly generic equivalent or other alternative is available.

Further, third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. In order to secure coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain FDA or comparable regulatory approvals. Additionally, we may also need to provide discounts to purchasers, private health plans or government healthcare programs. Despite our best efforts, our product candidates may not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover an approved product as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products at a profit. 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, our operations and financial condition.

Finally, in some foreign countries, the proposed pricing for a product candidate must be approved before it may be lawfully marketed. The requirements governing product pricing vary widely from country to country. For example, in the European Union, or EU, pricing and reimbursement of pharmaceutical products are regulated at a national level under the individual EU Member States' social security systems. Some foreign countries provide options to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and can control the prices of medicinal products for human use. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. A country may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Even if approved for reimbursement, historically, product candidates launched in some foreign countries, such as some countries in the EU, do not follow price structures of the U.S. and prices generally tend to be significantly lower.

Other Healthcare Laws and Regulations

Healthcare providers, physicians, and third-party payors will play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. Our business operations and any current or future arrangements with third-party payors may expose us to broadly applicable federal and state fraud and abuse laws, as well as other healthcare laws and regulations. These laws may impact, among other things, our proposed sales, marketing, and distribution strategies. In the U.S., these laws include, among others:

- The federal Anti-Kickback Statute prohibits, among other things, any person or entity from knowingly and willfully offering, soliciting, receiving or paying remuneration (a term interpreted broadly to include anything of value, including, for example, gifts, discounts and credits), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, or arranging for, an item, good, facility or service for which payment may be made under a federal healthcare program such as Medicare and Medicaid. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations can result in significant civil monetary and criminal penalties for each violation, plus up to three times the amount of remuneration, imprisonment, and exclusion from government healthcare programs. Further, a violation of the federal Anti-Kickback Statute can also form the basis False Claims Act, or FCA, liability (discussed below).
- Additionally, the civil False Claims Act prohibits knowingly presenting or causing the presentation of a false, fictitious or fraudulent claim for payment to the U.S. government. Actions under the False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual in the name of the government. Violations of the False Claims Act can result in very significant monetary penalties, for each false claim and treble the amount of the government's damages. Manufacturers can be held liable under the False Claims Act even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims.
- The U.S. federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes additional criminal and civil liability for knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private); and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statement in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and its implementing regulations, including the final omnibus rule published on January 25, 2013, imposes, among other things, certain requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's privacy and security standards directly applicable to "business associates," defined as independent contractors or agents of covered entities that create, receive, maintain, transmit, or obtain, protected health information in connection with providing a service for or on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney's fees and costs associated with pursuing federal civil actions.
- Federal transparency laws, including the federal Physician Payment Sunshine Act created under the ACA, and its implementing regulations, which requires manufacturers of certain drugs, devices, medical supplies, and biologics, among others, to track and disclose payments under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) and other transfers of value they make to U.S. physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made to certain non-physician providers such as physician assistants and nurse practitioners. This information is subsequently made publicly available in a searchable format on a CMS website. Failure to disclose required information may result in civil monetary penalties for all payments, transfers of value or ownership or investment interests that are not timely, accurately and completely reported in an annual submission. Certain states also mandate implementation of compliance programs, impose restrictions on drug manufacturer marketing practices and/or require the tracking and reporting of gifts, compensation and other remuneration to physicians and/or other healthcare providers.

Analogous state law equivalents of each of the above U.S. federal laws, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payor, including commercial insurers or patients; state and local marketing and/or transparency laws applicable to manufacturers that may be broader in scope than the federal requirements; state laws that require the reporting of information related to drug pricing; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information; state and local laws that require the licensure and/or registration of pharmaceutical sales representatives; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not pre-empted by HIPAA, thus complicating compliance efforts. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. 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, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or similar settlement to resolve allegations of non-compliance with these laws, any of which could adversely affect our

ability to operate our business and our financial results. 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 similar actions, penalties, and sanctions. Ensuring business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource consuming and can divert a company's attention from the business.

Compliance with Other Federal and State Laws or Requirements; Changing Legal Requirements

If any products that we may develop are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. Products must meet applicable child-resistant packaging requirements under the U.S. Poison Prevention Packaging Act. Manufacturing, labeling, packaging, distribution, sales, promotion and other activities also are potentially subject to federal and state consumer protection and unfair competition laws, among other requirements to we may be subject.

The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products.

The failure to comply with any of these laws or regulatory requirements subjects firms to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, exclusion from federal healthcare programs, requests for recall, seizure of products, total or partial suspension of production, denial or withdrawal of product approvals, relabeling or repackaging, or refusal to allow a firm to enter into supply contracts, including government contracts. Any claim or action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. Prohibitions or restrictions on marketing, sales or withdrawal of future products marketed by us could materially affect our business in an adverse way.

Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements; (ii) additions or modifications to product labeling or packaging; (iii) the recall or discontinuation of our products; or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

Other U.S. Environmental, Health and Safety Laws and Regulations

We may 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. From time to time and in the future, our operations may involve the use of hazardous and flammable materials, including chemicals and biological materials, and may also produce hazardous waste products. Even if we contract with third parties for the disposal of these materials and waste products, we cannot completely eliminate the risk of contamination or injury resulting from these materials. In the event of contamination or injury resulting from the use or disposal of our hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

We maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees, but this insurance may not provide adequate coverage against potential liabilities. However, we do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us.

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

Government Regulation of Drugs Outside of the United States

To market any product outside of the U.S., we would need to comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy and governing, among other things, clinical trials, marketing authorization or identification of an alternate regulatory pathway, manufacturing, commercial sales and distribution of our products. For instance, in the United Kingdom and the European Economic Area, or the EEA (comprised of the 27 EU Member States plus Iceland, Liechtenstein and Norway), medicinal products must be authorized for marketing by using either the centralized authorization procedure or national authorization procedures.

- *Centralized procedure*—If pursuing marketing authorization of a product candidate for a therapeutic indication under the centralized procedure, following the opening of the European Medicines Agency’s Committee for Medicinal Products for Human Use, or, CHMP, the European Commission issues a single marketing authorization valid across the EEA. The centralized procedure is compulsory for human medicines derived from biotechnology processes or advanced therapy medicinal products (such as gene therapy, somatic cell therapy and tissue engineered products), products that contain a new active substance indicated for the treatment of certain diseases, such as HIV/AIDS, cancer, neurodegenerative disorders, diabetes, autoimmune diseases and other immune dysfunctions, viral diseases, and officially designated orphan medicines. For medicines that do not fall within these categories, an applicant has the option of submitting an application for a centralized marketing authorization to the European Medicines Agency, or EMA, as long as the medicine concerned contains a new active substance not yet authorized in the EEA, is a significant therapeutic, scientific or technical innovation, or if its authorization would be in the interest of public health in the EEA. Under the centralized procedure the maximum timeframe for the evaluation of an MAA by the EMA is 210 days, excluding clock stops, when additional written or oral information is to be provided by the applicant in response to questions asked by the CHMP. Accelerated assessment might be granted by the CHMP in exceptional cases, when a medicinal product is expected to be of a major public health interest, particularly from the point of view of therapeutic innovation. The timeframe for the evaluation of an MAA under the accelerated assessment procedure is 150 days, excluding clock stops.
- *National authorization procedures*—There are also two other possible routes to authorize products for therapeutic indications in several countries, which are available for products that fall outside the scope of the centralized procedure:
 - *Decentralized procedure*—Using the decentralized procedure, an applicant may apply for simultaneous authorization in more than one EU country of medicinal products that have not yet been authorized in any EU country and that do not fall within the mandatory scope of the centralized procedure.
 - *Mutual recognition procedure*—In the mutual recognition procedure, a medicine is first authorized in one EU Member State, in accordance with the national procedures of that country. Following this, additional marketing authorizations can be sought from other EU countries in a procedure whereby the countries concerned recognize the validity of the original, national marketing authorization.

In the EEA, new products for therapeutic indications that are authorized for marketing (i.e., reference products) qualify for eight years of data exclusivity and an additional two years of market exclusivity upon marketing authorization. The data exclusivity period prevents generic or biosimilar applicants from relying on the preclinical and clinical trial data contained in the dossier of the reference product when applying for a generic

or biosimilar marketing authorization in the EU during a period of eight years from the date on which the reference product was first authorized in the EU. The market exclusivity period prevents a successful generic or biosimilar applicant from commercializing its product in the EU until ten years have elapsed from the initial authorization of the reference product in the EU. The ten-year market exclusivity period can be extended to a maximum of eleven 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.

The criteria for designating an “orphan medicinal product” in the EEA are similar in principle to those in the U.S. In the EEA a medicinal product may be designated as orphan if (1) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (2) either (a) such condition affects no more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from orphan status, would not generate sufficient return in the EU to justify investment; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU, or if such a method exists, the product will be of significant benefit to those affected by the condition. Orphan medicinal products are eligible for financial incentives such as reduction of fees or fee waivers and are, upon grant of a marketing authorization, entitled to ten years of market exclusivity for the approved therapeutic indication. During this ten-year orphan market exclusivity period, no marketing authorization application shall be accepted, and no marketing authorization shall be granted for a similar medicinal product for the same indication. An orphan product can also obtain an additional two years of market exclusivity in the EU for pediatric studies. The ten-year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation, for example, if the product is sufficiently profitable not to justify maintenance of market exclusivity. Additionally, marketing authorization may be granted to a similar product for the same indication at any time if (i) the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior; (ii) the applicant consents to a second orphan medicinal product application; or (iii) the applicant cannot supply enough orphan medicinal product.

Similar to as in the U.S., the various phases of non-clinical and clinical research in the European Union are subject to significant regulatory controls.

The Clinical Trials Directive 2001/20/EC, the Directive 2005/28/EC on GCP and the related national implementing provisions of the individual EU Member States govern the system for the approval of clinical trials in the European Union. 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 trial 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 (Clinical Trials Regulation) was adopted. It is expected that the new Clinical Trials Regulation (EU) No 536/2014 will apply following confirmation of full functionality of the Clinical Trials Information System, or CTIS, the centralized European Union portal and database for clinical trials foreseen by the regulation, through an independent audit. The regulation becomes applicable six months after the European Commission publishes notice of this confirmation. The Clinical Trials Regulation will be directly applicable in all the EU Member States, repealing the current Clinical Trials Directive 2001/20/EC. Conduct of all clinical trials performed in the European Union will continue to be bound by currently applicable provisions until the new Clinical Trials Regulation becomes applicable. The extent to which ongoing 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 European Union. The main characteristics of the regulation include: a streamlined application procedure via a single-entry point, the “EU portal”; 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 competent authorities of all EU Member States in which an application for authorization of a clinical trial has been submitted (Member States concerned). Part II is assessed separately by each Member State concerned. 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 EU Member State. However, overall related timelines will be defined by the Clinical Trials Regulation.

Should we utilize third-party distributors, compliance with such foreign governmental regulations would generally be the responsibility of such distributors, who may be independent contractors over whom we have limited control.

Brexit and the Regulatory Framework in the United Kingdom

In June 2016, the electorate in the United Kingdom voted in favor of leaving the European Union (commonly referred to as “Brexit”). Thereafter, in March 2017, the country formally notified the European Union of its intention to withdraw pursuant to Article 50 of the Lisbon Treaty. The United Kingdom formally left the European Union on January 31, 2020. A transition period began on February 1, 2020, during which European Union pharmaceutical law remains applicable to the United Kingdom. This transition period is due to end on December 31, 2020. 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 European Union 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.

Employees

As of May 31, 2020, we had 54 full-time employees, of which 37 have M.D. or Ph.D. degrees. Within our workforce, 39 employees are engaged in research and development and 15 are engaged in business development, finance, legal, and general management and administration. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Facilities

Our corporate headquarters is located in Cambridge, Massachusetts, where we lease and occupy approximately 9,836 square feet of office and laboratory space. The current term of our Cambridge lease expires on July 31, 2020.

We lease and expect to occupy approximately 34,522 square feet of office space located in Watertown, Massachusetts. The current term of our Watertown lease expires March 31, 2030, with an option to extend the term five additional years with 12 months’ notice with rent set at an agreed upon market rate.

We believe our existing facilities are sufficient to meet our needs for the foreseeable future. To meet the future needs of our business, we may lease additional or alternate space, and we believe suitable additional or alternative space will be available in the future on commercially reasonable terms.

Legal proceedings

From time to time, we may become involved in litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are probable to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

The following table sets forth information about each of our executive officers and directors as of May 31, 2020:

| <u>NAME</u> | <u>AGE</u> | <u>POSITION</u> |
|-------------------------------|------------|--|
| Executive Officers | | |
| Nello Mainolfi, Ph.D. | 42 | Founder, President, Chief Executive Officer and Director |
| Bruce Jacobs, CFA, MBA | 51 | Chief Financial Officer |
| Jared Gollob, M.D. | 56 | Chief Medical Officer |
| Non-Employee Directors | | |
| Bruce Booth, D.Phil. | 46 | Founder, Chairman and Director |
| Steven Hall, Ph.D. | 65 | Director |
| Andrew Hedin | 35 | Director |
| Joanna Horobin, M.B., Ch.B. | 65 | Director |
| Gorjan Hrustanovic, Ph.D. | 31 | Director |
| Wei Li, Ph.D. | 48 | Director |
| Donald W. Nicholson, Ph.D. | 63 | Director |
| Christopher O'Donnell, Ph.D. | 50 | Director |

- (1) Member of the audit committee
- (2) Member of the compensation committee
- (3) Member of the nominating and corporate governance committee

Executive Officers

Nello Mainolfi, Ph.D. Dr. Mainolfi has served as our co-founder, President, Chief Executive Officer and a member of our Board of directors since November 2019. Previously, Dr. Mainolfi served as President and Chief Scientific Officer from June 2019 to November 2019, Chief Scientific Officer from January 2019 to June 2019, Chief Technology Officer from October 2017 to January 2019, and Vice President of Drug Discovery from May 2016 to September 2017. Prior to founding Kymera Dr. Mainolfi was an entrepreneur in residence at Atlas Venture from January 2016 to June 2018 and has since transitioned to a role as an advisor. From January 2015 to April 2016, Dr. Mainolfi also held various roles at Raze Therapeutics, Inc., including as the Senior Director, Head of Drug Discovery from January 2016 to April 2016 and as Director, Head of Chemistry from January 2015 to January 2016. Prior that, Dr. Mainolfi worked at the Novartis Institutes for Biomedical Research from October 2007 to January 2015, leading teams to identify multiple novel potential medicines that have entered clinical development across a series of disease areas. Dr. Mainolfi holds a Ph.D. from King's College, University of London and a BSc from Queen Mary, University of London. We believe Dr. Mainolfi is qualified to serve as a member of our board of directors due to his significant history with the company, as well as his extensive experience in drug development and the life sciences industry.

Bruce Jacobs, CFA, MBA. Mr. Jacobs has served as our Chief Financial Officer since July 2019. Mr. Jacobs has more than 25 years of experience in health care financial services, investment banking and equity research. He was previously managing partner for Westfield Capital Management, or Westfield, a Boston-based equity investment firm from April 2004 to June 2019, also serving on Westfield's management committee and as health care team lead. Mr. Jacobs graduated magna cum laude from the Wharton School of the University of Pennsylvania, earned a MBA from the Harvard Business School and is a Chartered Financial Analyst. Mr. Jacobs currently serves as the Chair of the board of directors at Boys & Girls Clubs of Boston.

Jared Gollob, M.D. Dr. Gollob has served as our Chief Medical Officer since September 2018. Prior to joining Kymera, Dr. Gollob was Vice President of Clinical Development and Global Vice President of Medical Affairs for Amyloidosis from June 2012 to August 2018 and Senior Director, Clinical Research from October 2007 to May 2012 at Alnylam Pharmaceuticals, Inc., where he led early and late stage clinical programs in infectious disease, oncology, and amyloidosis that provided that first proof of concept in humans for RNA interference therapeutics. Dr. Gollob has previously held academic positions at Harvard Medical School and Duke University School of Medicine, and was on staff at Dana-Farber Cancer Institute, Beth Israel Deaconess Medical Center and Duke University Medical Center, where he was engaged in both clinical and laboratory research in oncology and immunology. Dr. Gollob received his B.A. and M.D. from Columbia University and completed clinical training in internal medicine and medical oncology at Massachusetts General Hospital and the Dana-Farber Cancer Institute, respectively.

Non-Employee Directors

Bruce Booth, D.Phil. Dr. Booth has served as Chairman of our board of directors and has been a member of our board of directors since September 2015. Dr. Booth was our co-founder, President and Chief Executive Officer from September 2015 to August 2017. Dr. Booth joined Atlas Venture in 2005, and currently serves as a partner of Atlas Venture. Previously, from 2004 to 2005, Dr. Booth was a principal at Caxton Health Holdings L.L.C., a healthcare-focused investment firm, where he focused on the firm's venture capital activities. Dr. Booth currently serves on the board of several public and privately held companies, including Magenta Therapeutics, Inc. Unum Therapeutics, Inc., AvroBio, Inc., Nimbus Therapeutics, LLC, Lysosomal Therapeutics, Inc., HotSpot Therapeutics, Inc., Arkuda Therapeutics, Inc. and Quench Therapeutics, Inc. Dr. Booth previously served on the boards of directors of Miragen Therapeutics, Inc. and Zafgen, Inc. Dr. Booth holds a D.Phil. in molecular immunology from Oxford University's Nuffield Department of Medicine and a B.S. in biochemistry from Pennsylvania State University. Dr. Booth's qualifications to sit on our board of directors include his extensive leadership, executive, managerial and business experience with life sciences companies, including experience in the formation, development, and business strategy of multiple start-up companies in the life sciences sector.

Steven Hall, Ph.D. Dr. Hall has been a member of our board of directors since August 2017. Since May 2009, Dr. Hall serves as a general partner at Lilly Ventures Management Company, LLC. In addition, Dr. Hall currently serves as President and Chief Executive Officer of Esanex, Inc. Dr. Hall has held multiple research management positions, at companies including Serenex, Inc., Eli Lilly and Company, Sphinx Inc, and Bristol Myers Squibb Company. Dr. Hall is the author of more than forty papers and sixty patents. Dr. Hall currently sits on the board of directors of several privately held life sciences companies and served as a member of the board of directors of publicly traded company Cerulean Pharma Inc. from its initial public offering in April 2014 until June 2016. Dr. Hall holds a B.S. in chemistry from Central Michigan University and a Ph.D. in organic chemistry from Massachusetts Institute of Technology. We believe that Dr. Hall is qualified to serve on our board of directors due to his broad experience in the life sciences industry as a venture capitalist, director and senior executive.

Andrew Hedin Mr. Hedin has served as a member of our board of directors since November 2018. Mr. Hedin has served as an investment professional at Bessemer Venture Partners, a venture capital firm, since 2015 and has been a principal since 2019. Mr. Hedin serves as an observer on the board of directors of several privately held life sciences and healthcare companies. Mr. Hedin holds an MBA with Honors from The Wharton School and a B.A. from the University of Pennsylvania. We believe Mr. Hedin is qualified to serve as a member of our board of directors due to his experience in the life sciences industry as a venture capitalist.

Joanna Horobin, M.B., Ch.B. Dr. Horobin has served as a member of our board of directors since May 2018. Dr. Horobin served as the Senior Vice President and Chief Medical Officer of Idera Pharmaceuticals, Inc., or Idera, a publicly traded clinical-stage biopharmaceutical company focused on the clinical development, and ultimately the commercialization, of drug candidates for both oncology and rare disease indications, from

November 2015 until July 2019. Prior to joining Idera, Dr. Horobin served as the Chief Medical Officer of Verastem, Inc., a publicly traded biopharmaceutical company focused on developing and commercializing medicines to improve the survival and quality of life of cancer patients, from September 2012 to July 2015. Dr. Horobin currently serves as a non-executive director of Nordic Nanovector ASA (publicly traded on the Oslo Stock Exchange), a member of the board of directors of Liquidia Technologies Inc., a publicly traded biotechnology company, and chair of the board of directors of iOnctura SA. Dr. Horobin received her medical degree from the University of Manchester, England. We believe Dr. Horobin is qualified to serve on our board of directors due to her extensive industry experience and knowledge in drug development and commercialization.

Gorjan Hrutanovic, Ph.D. Dr. Hrutanovic has served as a member of our board of directors since March 2020. Dr. Hrutanovic is a principal at BVF Partners L.P. where he focuses on biotechnology and therapeutic investments. Prior to joining BVF Partners L.P. in September 2015, Dr. Hrutanovic co-founded a small biotechnology-focused investment fund. Dr. Hrutanovic serves as a member on the boards of directors of several privately held companies, including Rain Therapeutics, Inc. and Olema Pharmaceuticals, Inc. Dr. Hrutanovic received his B.S. in molecular biology and economics/management science from the University of California, San Diego and a Ph.D. in Biomedical Sciences, Cancer Biology and Cell Signaling from the University of California, San Francisco. We believe Dr. Hrutanovic is qualified to serve as a member of our board of directors due to his experience in the life sciences industry as a venture capitalist and a director.

Wei Li, Ph.D. Dr. Li has served as a member of our board of directors since November 2018. Since January 2020, Dr. Li has been the manager of Creacion Ventures GP I, LLC, general partner of Creacion Ventures I, L.P. and Creacion Ventures I-A, L.P. Dr. Li formerly served as a Managing Partner at 6 Dimensions Capital, a healthcare investment group, from October 2017 when it was formed by the merger of WuXi Healthcare Ventures and Frontline BioVentures, each a venture capital firm with a focus on life sciences companies, to January 2020. From May 2015 until its merger with Frontline BioVentures, Dr. Li served as Founding Partner of WuXi Healthcare Ventures. From January 2013 to April 2015, Dr. Li served as an Executive Partner of Fidelity Biosciences Corp. and Fidelity Growth Partners Asia, both venture capital firms. Dr. Li previously held roles as an Associate at Baird Venture Partners, a venture capital firm, and as a Scientist at Vertex Pharmaceuticals Inc. Dr. Li currently serves on the boards of directors of a number of privately-held life sciences companies such as Dewpoint Therapeutics, Forerunner Medical, Ivenix, Medeor Therapeutics, Ocumension Therapeutics and CStone Pharmaceuticals. Dr. Li has a Ph.D. in Chemistry from Harvard University, an MBA from the Kellogg School of Business at Northwestern University and a B.S. from the University of Science and Technology of China. We believe Dr. Li is qualified to serve on our board of directors because of his extensive experience in the life sciences industry, his service on the boards of directors of other life sciences companies and his extensive investing experience.

Donald W. Nicholson, Ph.D. Dr. Nicholson has served as a member of our board of directors since November 2017. Dr. Nicholson is the former chief executive officer of Nimbus Therapeutics, LLC, or Nimbus, serving from August 2014 to October 2018. Prior to joining Nimbus, Dr. Nicholson held various strategic, leadership and operational roles in diverse therapeutic areas, including respiratory, inflammation, immunology, bone, endocrine, urology, infectious disease and neurosciences at Merck from April 1998 to July 2013. Dr. Nicholson has co-authored more than 150 publications in peer-reviewed scientific and medical journals and is internally recognized for his contributions to the field of apoptotic cell death. He also serves as a member on the board of directors of Generation Bio (Nasdaq: GBIO) and is chairman of the board of Disc Medicine, Jnana Therapeutics and NodThera. Dr. Nicholson received his Ph.D. and an Honors B.Sc. degree in Biochemistry from the University of Western Ontario, and trained as a Medical Research Council postdoctoral fellow at the University of Munich in Germany. We believe Dr. Nicholson is qualified to serve as a member of our board of directors due to his extensive experience in leadership positions throughout the life sciences industry and his strong scientific background.

Christopher O'Donnell, Ph.D. Dr. O'Donnell has served as a member of our board of directors since May 2019. Dr. O'Donnell is an executive director, worldwide research, development & medical and principal at Pfizer

Ventures. Dr. O'Donnell has over 20 years of scientific leadership at Pfizer and a strong track record of delivering clinical candidates across multiple disease areas and modalities. Prior to Pfizer, Dr. O'Donnell built and led the Applied Synthesis Technologies group within Pfizer Worldwide Research & Development Organization to accelerate the delivery of Pfizer's small molecule portfolio. Dr. O'Donnell also built and led Pfizer's Antibody Drug Conjugate Oncology Medicinal Chemistry group which delivered new linker, payload and conjugation methods resulting in seven conjugates entering clinical development for many different cancer indications. Dr. O'Donnell started his career in the Neuroscience Medicinal Chemistry group where he invented and helped deliver numerous clinical candidates, with the most advanced being the AMPA positive allosteric modulator in Phase II that was licensed to Biogen. Dr. O'Donnell has co-authored 55 peer reviewed manuscripts and is the inventor/co-inventor on 25 patents. Dr. O'Donnell currently sits on the boards of directors of several privately held companies, including Adapsyn Biosciences, ARKUDA Therapeutics and Storm Therapeutics and is a board observer on numerous other privately held companies. Dr. O'Donnell briefly served as a board observer on Morphic Therapeutic prior to their entry into the public market. Dr. O'Donnell earned his B.S. in Chemistry from the University of Illinois-Urbana/Champaign and his Ph.D. in Chemistry from the University of Wisconsin-Madison and joined Pfizer after his post-doctoral research studies as an American Cancer Society Fellow at the University of California—Irvine. We believe Dr. O'Donnell is qualified to serve as a member of our board of directors due to his extensive service on the boards of directors of other life sciences companies and his extensive investing experience in the life sciences industry.

Composition of Our Board of Directors

Our board consists of nine members, each of whom are members pursuant to the board composition provisions of our third amended and restated certificate of incorporation and agreements with our stockholders. These board composition provisions will terminate upon the completion of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Our nominating and corporate governance committee and our board of directors may therefore consider a broad range of factors relating to the qualifications and background of nominees. Our nominating and corporate governance committee's and our board of directors' priority in selecting board members is identification of persons who will further the interests of our stockholders through their established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape, professional and personal experiences, and expertise relevant to our growth strategy. Our directors hold office until their successors have been elected and qualified or until the earlier of their resignation or removal. Our fourth amended and restated certificate of incorporation and second amended and restated bylaws that will become effective immediately prior to the closing of this offering also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least two-thirds of the votes that all our stockholders would be entitled to cast in an annual election of directors, 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.

Director Independence

We intend to apply to list our common stock on . Under the listing rules, independent directors must comprise a majority of a listed company's board of directors within twelve months from the date of listing. In addition, the listing rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent within twelve months from the date of listing. Audit committee members must also satisfy additional independence criteria, including those set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and compensation committee members must also satisfy the independence criteria set forth in Rule 10C-1 under the Exchange Act. Under listing rules, a director will only qualify as an "independent director" if, in the opinion of that 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 under the Exchange Act, 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: (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries, other than compensation for board service; or (2) 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 of directors 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: the source of compensation of the director, including any consulting advisory or other compensatory fee paid by such company to the director, and whether the director is affiliated with the company or any of its subsidiaries or affiliates.

In _____, 2020, 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 background, employment and affiliations, including family relationships, our board of directors has determined that all members of our board of directors, except Dr. Mainolfi and Dr. Booth, are independent directors, including for purposes of _____ and SEC rules. In making that determination, our board of directors considered the relationships that each director has with us and all other facts and circumstances the board of directors deemed relevant in determining independence, including the potential deemed beneficial ownership of our capital stock by each director, including non-employee directors that are affiliated with certain of our major stockholders. Upon the completion of this offering, we expect that the composition and functioning of our board of directors and each of our committees will comply with all applicable requirements of _____ and the rules and regulations of the SEC. There are no family relationships among any of our directors or executive officers. Dr. Mainolfi is not an independent director under these rules because he is currently employed as the chief executive officer of our company. Dr. Booth is not an independent director under these rules because he was an executive officer of our company within the past three years.

We intend to adopt a policy, subject to and effective upon the effectiveness of the registration statement of which this prospectus forms a part, that outlines a process for our securityholders to send communications to the board of directors.

Staggered Board

In accordance with the terms of our fourth amended and restated certificate of incorporation and second amended and restated bylaws, our board of directors will be divided into three staggered classes of directors and each will be assigned to one of the three classes. At each annual meeting of the stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the years 2021 for Class I directors, 2022 for Class II directors and 2023 for Class III directors.

- Our Class I directors will be _____ ;
- Our Class II directors will be _____ ; and
- Our Class III directors will be _____ .

Our fourth amended and restated certificate of incorporation and second amended and restated bylaws that will become effective immediately prior to the closing of this offering will provide that the number of our directors shall be fixed from time to time by a resolution of the majority of our board of directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent stockholder efforts to effect a change of our management or a change in control. We expect that additional directorships resulting from an increase in the number of directors, if any, will be distributed among the three classes so that, as nearly as possible, each class shall consist of one third of the board of directors.

Board Leadership Structure and Board's Role in Risk Oversight

Dr. Booth is our current chairperson of our board of directors. We believe that separating the positions of chief executive officer and chairperson of the board of directors allows our chief executive officer to focus on our day-to-day business, while allowing a chairperson of the board to lead the board of directors in its fundamental role of providing advice to and independent oversight of management. Our board of directors recognizes the time, effort and energy that the chief executive officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our chairperson, particularly as the board of directors' oversight responsibilities continue to grow. While our bylaws and corporate governance guidelines do not require that our chairperson and chief executive officer positions be separate, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance. Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including risks relating to our financial condition, development and commercialization activities, operations, strategic direction and intellectual property as more fully discussed in the section entitled "Risk Factors" appearing elsewhere in this prospectus. Management is responsible for the day-to-day management of risks we face, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The role of the board of directors in overseeing the management of our risks is conducted primarily through committees of the board of directors, as disclosed in the descriptions of each of the committees below and in the charters of each of the committees. The full board of directors (or the appropriate board committee in the case of risks that are under the purview of a particular committee) discusses with management our major risk exposures, their potential impact on us, and the steps we take to manage them. When a board committee is responsible for evaluating and overseeing the management of a particular risk or risks, the chairman of the relevant committee reports on the discussion to the full board of directors during the committee reports portion of the next board meeting. This enables the board of directors and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Committees of Our Board of Directors

Our board of directors has established an audit committee and a compensation committee, and will establish a nominating and corporate governance committee, each of which will operate pursuant to a charter to be adopted by our board of directors and will be effective upon the effectiveness of the registration statement of which this prospectus is a part. Upon the effectiveness of the registration statement of which this prospectus is a part, the composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act of 2002, and SEC rules and regulations.

Following the consummation of this offering, the full text of our audit committee charter, compensation committee charter, and nominating and corporate governance charter will be posted on the investor relations portion of our website at www.kymeratx.com. We do not incorporate the information contained on, or accessible through, our corporate website into this prospectus, and you should not consider it a part of this prospectus.

Audit Committee

Upon completion of this offering, _____, _____ and _____ will serve on the audit committee, which will be chaired by _____. The audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- pre-approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;

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- reviewing the overall audit plan with our independent registered public accounting firm and members of management responsible for preparing our consolidated financial statements;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending based upon the audit committee’s review and discussions with management and our independent registered public accounting firm whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- monitoring the integrity of our consolidated financial statements and our compliance with legal and regulatory requirements as they relate to our consolidated financial statements and accounting matters;
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement;
- reviewing all related person transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing quarterly earnings releases.

All 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.

All members of our audit committee will meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the listing rules. Our board of directors has determined that [redacted] qualifies as an “audit committee financial expert” within the meaning of applicable SEC regulations. In making this determination, our board of directors considered the nature and scope of experience that [redacted] has previously had with public reporting companies. Our board of directors has determined that all of the directors that will become members of our audit committee upon the effectiveness of the registration statement of which this prospectus forms a part satisfy the relevant independence requirements for service on the audit committee set forth in the rules of the SEC and the listing rules. Both our independent registered public accounting firm and management will periodically meet privately with our audit committee.

Compensation Committee

Upon completion of this offering, [redacted], [redacted] and [redacted] will serve on the compensation committee, which will be chaired by [redacted]. The compensation committee’s responsibilities include:

- annually reviewing and recommending to the board of directors the corporate goals and objectives relevant to the compensation of our Chief Executive Officer;
- evaluating the performance of our Chief Executive Officer in light of such corporate goals and objectives and based on such evaluation (i) recommending to the board of directors the cash compensation of our Chief Executive Officer and (ii) reviewing and approving grants and awards to our Chief Executive Officer under equity-based plans;
- reviewing and approving the cash compensation of our other executive officers;
- reviewing and establishing our overall management compensation, philosophy and policy;
- overseeing and administering our compensation and similar plans;

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- evaluating and assessing potential and current compensation advisors in accordance with the independence standards identified in the applicable rules;
- reviewing and approving our policies and procedures for the grant of equity-based awards;
- reviewing and recommending to the board of directors the compensation of our directors;
- preparing our compensation committee report if and when required by SEC rules;
- reviewing and discussing annually with management our “Compensation Discussion and Analysis,” if and when required, to be included in our annual proxy statement; and
- reviewing and approving the retention or termination of any consulting firm or outside advisor to assist in the evaluation of compensation matters.

Our board of directors has determined that each member of the compensation committee is “independent” as defined in the applicable rules. Each member of our compensation committee will be a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended.

Nominating and Corporate Governance Committee

Upon completion of this offering, and will serve on the nominating and corporate governance committee, which will be chaired by . The nominating and corporate governance committee’s responsibilities include:

- developing and recommending to the board of directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;
- reviewing the composition of the board of directors to ensure that it is composed of members containing the appropriate skills and expertise to advise us;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and to each of the board’s committees;
- developing and recommending to the board of directors a code of business conduct and ethics and a set of corporate governance guidelines; and
- overseeing the evaluation of our board of directors and management.

Our board of directors may from time to time establish other committees.

Compensation Committee Interlocks and Insider Participation

In 2019, the compensation committee consisted of Steven Hall, Ph.D., Donald W. Nicholson, Ph.D. and Elaine Jones, Ph.D. (until her resignation from the board of directors in April 2019). None of the members of our compensation committee is, or has at any time during the prior three years been, one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Corporate Governance

Prior to the effectiveness of the registration statement of which this prospectus is a part, we will 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. Following the effectiveness of the registration statement of which this prospectus is a part, a current copy of the code will be posted on the investor relations section of our website, which is located at www.kymeratx.com. If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for any officer or director, we will disclose the nature of such amendment or waiver on our website or in a Current Report on Form 8-K.

EXECUTIVE COMPENSATION

Executive Compensation Overview

The following discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation policies and practices that we adopt in the future may differ materially from currently planned programs as summarized in this discussion.

As an emerging growth company and a smaller reporting company, we have opted to comply with the executive compensation disclosure rules applicable to “smaller reporting companies,” as such term is defined in the rules promulgated under the Securities Act. The compensation provided to our named executive officers for the fiscal year ended December, 31, 2019 is detailed in the 2019 Summary Compensation Table and accompanying footnotes and narrative that follow. Our named executive officers are:

- Nello Mainolfi, Ph.D., our Founder, President and Chief Executive Officer;
- Laurent Audoly, Ph.D., our former President and Chief Executive Officer;
- Bruce Jacobs, CFA, MBA, our Chief Financial Officer; and
- Jared Gollob, M.D., our Chief Medical Officer.

To date, the compensation of our named executive officers has consisted of a combination of base salary, bonuses and long-term incentive compensation in the form of restricted stock and stock options. Our named executive officers, like all full-time employees, are eligible to participate in our health and welfare benefit plans. As we transition from a private company to a publicly traded company, we intend to evaluate our compensation values and philosophy and compensation plans and arrangements as circumstances require.

2019 Summary Compensation Table

The following table sets forth information regarding compensation awarded to, earned by, or paid to our named executive officers for services rendered to us in all capacities during the fiscal year ended December 31, 2019.

| <u>Name and Principal Position</u> | <u>Year</u> | <u>Salary (\$)</u> | <u>Stock Awards (\$)</u> | <u>Option Awards (\$)(4)</u> | <u>Non-Equity Incentive Plan Compensation (\$)(5)</u> | <u>All Other Compensation (\$)</u> | <u>Total(\$)</u> |
|---|-------------|--------------------|--------------------------|------------------------------|---|------------------------------------|------------------|
| Nello Mainolfi, Ph.D. <i>Founder, President and Chief Executive Officer(1)</i> | 2019 | 362,472 | — | 1,304,199 | 142,061 | — | 1,808,732 |
| Laurent Audoly, Ph.D. <i>Former President and Chief Executive Officer(2)</i> | 2019 | 207,838 | 117,015(6) | 495,619(6) | — | 291,769(7) | 1,112,241 |
| Bruce Jacobs, CFA, MBA <i>Chief Financial Officer(3)</i> | 2019 | 172,615 | — | 447,536 | 59,132 | — | 679,283 |
| Jared Gollob, M.D. <i>Chief Medical Officer</i> | 2019 | 344,908 | — | 229,908 | 113,383 | — | 688,199 |

(1) Dr. Mainolfi was promoted to President and Chief Executive Officer effective November 14, 2019. He previously served as our Chief Scientific Officer and prior to that as our Chief Technology Officer. Dr. Mainolfi’s base salary was increased from \$317,625 to \$335,094 effective February 13, 2019 in connection with his promotion to Chief Scientific Officer and increased again to \$400,000 retroactive to July 1, 2019 in connection with his promotion to President and Chief Executive Officer.

- (2) Dr. Audoly's employment with us terminated effective June 28, 2019. His annual base salary for 2019 was \$418,899. The amount reported represents the compensation he received during his partial year of service for fiscal year ended December 31, 2019.
- (3) Mr. Jacobs' employment with us commenced on July 1, 2019. His annualized base salary for 2019 was \$340,000 and the amount reported represents the compensation he received during his partial year of service for fiscal year ended December 31, 2019.
- (4) The amounts reported represent the aggregate grant date fair value of the stock options awarded to our named executive officers during the fiscal year ended December 31, 2019, calculated in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 718. Such grant date fair values do not take into account any estimated forfeitures. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 2 of our consolidated financial statements included elsewhere in this prospectus. The amounts reported in this column reflect the accounting cost for these stock options and do not correspond to the actual economic value that may be received by our named executive officers upon the exercise of the stock options or any sale of the underlying shares of common stock.
- (5) The amounts reported reflect annual bonuses paid to our named executive officers based on achievement of clinical and corporate development goals and individual performance for the fiscal year ended December 31, 2019.
- (6) Pursuant to the terms of his separation agreement with us, 25% of the unvested equity awards held by Dr. Audoly accelerated and became vested and exercisable or nonforfeitable in connection with the termination of his employment. The amount reported in the Stock Awards column represents the incremental fair value of the accelerated restricted stock awards as of the modification date. The amount reported in the Option Awards column includes the incremental fair value of the accelerated stock options as of the modification date, which was \$42,058.
- (7) The amount reported reflects the following severance payments and benefits paid to Dr. Audoly pursuant to the terms of his separation agreement with us: (i) \$209,450 for base salary continuation for six months, (ii) a pro-rated annual bonus assuming achievement of 100% of the relevant performance criteria in an amount equal to \$72,450 and (iii) \$9,869, representing the amount that we would have paid to provide health insurance to Dr. Audoly had he remained employed with us for six months following termination. For a description of Dr. Audoly's separation agreement, see "Employment Arrangements With Our Named Executive Officers" below.

Narrative to the 2019 Summary Compensation Table

Base Salaries

Each named executive officer's base salary is a fixed component of annual compensation for performing specific duties and functions, and has been established by our board of directors taking into account each individual's role, responsibilities, skills, and expertise. Base salaries are reviewed annually, typically in connection with our annual performance review process, approved by our board of directors, and adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance and experience. In 2019, Dr. Mainolfi's initial annual base salary was \$317,625, which was increased to \$335,094 effective February 13, 2019 in connection with his promotion to Chief Scientific Officer and was increased again to \$400,000, retroactive to July 1, 2019, in connection with his promotion to President and Chief Executive Officer. In 2019, the annual base salary for Mr. Jacobs was \$340,000 (and such amount was pro-rated for Mr. Jacobs based on the date that he commenced employment with us) and the annual base salary for Dr. Gollob was \$343,586.

Annual Bonus

For the fiscal year ended December 31, 2019, each of our named executive officers was eligible to earn an annual bonus based on the achievement of certain clinical and corporate development goals and individual performance. Dr. Mainolfi's target annual bonus for the fiscal year ended December 31, 2019 was equal to 30%

of his annual base salary, which was increased to 35% of his annual base salary, retroactive to July 1, 2019, in connection with his promotion to President and Chief Executive Officer. The target annual bonus for each of Mr. Jacobs and Dr. Gollob for the fiscal year ended December 31, 2019 was equal to 30% of his respective annual base salary (and such amount was pro-rated for Mr. Jacobs based on the date that he commenced employment). The annual bonus earned by each named executive officer with respect to the fiscal year ended December 31, 2019 is reported under the “Non-Equity Incentive Plan Compensation” column in the “2019 Summary Compensation Table” above.

Equity Compensation

Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, 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 promote executive retention because they incentivize 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 may grant equity incentive awards to them from time to time. During the fiscal year ended December 31, 2019, we granted our named executive officers certain options to purchase shares of our common stock, as described in more detail in the “Outstanding Equity Awards at 2019 Fiscal Year-end” table below.

Employment Arrangements with our Named Executive Officers

We initially entered into an offer letter with each of the named executive officers in connection with his employment with us, which set forth the terms and conditions of his employment, including base salary, target annual bonus opportunity, initial equity awards and standard employee benefit plan participation. Effective upon the closing of this offering, we intend to enter into employment agreements with each of Dr. Mainolfi, Mr. Jacobs and Dr. Gollob that will replace the offer letters and provide for specified payments and benefits in connection with a termination of employment in certain circumstances. Our goal in providing these severance and change in control payments and benefits is to offer sufficient cash continuity protection such that the named executive officers will focus their full time and attention on the requirements of the business rather than the potential implications for their respective positions. We prefer to have certainty regarding the potential severance amounts payable to the named executive officers, rather than negotiating severance at the time that a named executive officer’s employment terminates. We have also determined that accelerated vesting provisions with respect to outstanding equity awards in connection with a qualifying termination of employment in certain circumstances are appropriate because they encourage our named executive officers to stay focused on the business in those circumstances, rather than focusing on the potential implications for them personally. The employment agreements with our named executive officers will require the named executive officers to execute a separation agreement containing a general release of claims in favor of us to receive any severance payments and benefits. The material terms of the employment agreements we intend to enter into with Dr. Mainolfi, Mr. Jacobs and Dr. Gollob are summarized below.

Nello Mainolfi, Ph.D.

Under the employment agreement we intend to enter into with Dr. Mainolfi, or the Mainolfi Employment Agreement, Dr. Mainolfi will continue to serve as our Founder, President and Chief Executive Officer on an at-will basis. Dr. Mainolfi’s current annual base salary is \$400,000, which is subject to periodic review and adjustment, and he is eligible to earn an annual bonus with a target amount equal to 35% of his base salary. Dr. Mainolfi is also eligible to participate in the employee benefit plans available to our employees, subject to the terms of those plans.

Pursuant to the Mainolfi Employment Agreement, in the event that his employment is terminated by us without “cause” or Dr. Mainolfi resigns for “good reason” (as each term is defined in the Mainolfi Employment Agreement), subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor, he will be entitled to receive (i) base salary continuation for _____ months following termination, and (ii) subject to Dr. Mainolfi’s copayment of premium amounts at the applicable active

employees' rate and proper election to continue COBRA health coverage, a monthly cash payment equal to the amount that we would have paid to provide health insurance to Dr. Mainolfi had he remained employed with us until the earliest of (A) _____ months following termination, (B) Dr. Mainolfi's eligibility for group medical plan benefits under any other employer's group medical plan or (C) the end of Dr. Mainolfi's COBRA health continuation period.

In lieu of the payments and benefits described in the preceding sentence, in the event that Dr. Mainolfi's employment is terminated by us without cause or Dr. Mainolfi resigns for good reason, in either case within _____ months following a "change in control" (as defined in the Mainolfi Employment Agreement), subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor, he will be entitled to receive (i) a lump sum in cash equal to _____ times the sum of (A) Dr. Mainolfi's current annual base salary (or Dr. Mainolfi's annual base salary in effect immediately prior to the change in control, if higher) plus (B) Dr. Mainolfi's target annual cash incentive compensation for the year of termination, (ii) subject to Dr. Mainolfi's copayment of premium amounts at the applicable active employees' rate and proper election to continue COBRA health coverage, a monthly cash payment equal to the amount that we would have paid to provide health insurance to Dr. Mainolfi had he remained employed with us until the earliest of (A) _____ months following termination, (B) Dr. Mainolfi's eligibility for group medical plan benefits under any other employer's group medical plan or (C) the end of Dr. Mainolfi's COBRA health continuation period, and (iii) accelerated vesting of 100% of all stock options and other stock-based awards subject to time-based vesting held by Dr. Mainolfi.

The payments and benefits provided to Dr. Mainolfi in connection with a change in control may not be eligible for a federal income tax deduction for the company pursuant to Section 280G of the U.S. Internal Revenue Code of 1986, as amended, or the Code, and may subject Dr. Mainolfi to an excise tax under Section 4999 of the Code. If the payments or benefits payable to Dr. Mainolfi in connection with a change in control would be subject to the excise tax on golden parachutes imposed under Section 4999 of the Code, then those payments or benefits will be reduced if such reduction would result in a higher net after-tax benefit to Dr. Mainolfi.

Laurent Audoly, Ph.D.

Effective as of June 28, 2019, Dr. Audoly's employment with us terminated. Pursuant to the terms of the separation agreement we entered into with Dr. Audoly, containing, among other things, a general release of claims in favor of us, Dr. Audoly received the following severance payments and benefits: (i) base salary continuation for six months, (ii) a pro-rated annual bonus assuming achievement of 100% of the relevant performance criteria in an amount equal to \$72,450, (iii) a monthly cash payment for six months following termination equal to the amount that we would have paid to provide health insurance to him had he remained employed with us, and (iv) accelerated vesting of 25% of the unvested equity awards held by Dr. Audoly at the time of his separation.

Bruce Jacobs, CFA, MBA

Under the employment agreement we intend to enter into with Mr. Jacobs, or the Jacobs Employment Agreement, Mr. Jacobs will continue to serve as our Chief Financial Officer on an at-will basis. Mr. Jacobs' current annual base salary is \$355,612, which is subject to periodic review and adjustment, and he is eligible to earn an annual bonus with a target amount equal to 30% of his base salary. Mr. Jacobs is also eligible to participate in the employee benefit plans available to our employees, subject to the terms of those plans.

Pursuant to the Jacobs Employment Agreement, in the event that his employment is terminated by us without "cause" or Mr. Jacobs resigns for "good reason" (as each term is defined in the Jacobs Employment Agreement), subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor, he will be entitled to receive (i) base salary continuation for _____ months following termination, and (ii) subject to Mr. Jacobs' copayment of premium amounts at the applicable active employees'

rate and proper election to continue COBRA health coverage, a monthly cash payment equal to the amount that we would have paid to provide health insurance to Mr. Jacobs had he remained employed with us until the earliest of (A) _____ months following termination, (B) Mr. Jacobs' eligibility for group medical plan benefits under any other employer's group medical plan or (C) the end of Mr. Jacobs' COBRA health continuation period.

In lieu of the payments and benefits described in the preceding sentence, in the event that Mr. Jacobs' employment is terminated by us without cause or Mr. Jacobs resigns for good reason, in either case within _____ months following a "change in control" (as defined in the Jacobs Employment Agreement), subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor, he will be entitled to receive (i) a lump sum in cash equal to _____ times the sum of (A) Mr. Jacobs' current annual base salary (or Mr. Jacobs' annual base salary in effect immediately prior to the change in control, if higher) plus (B) Mr. Jacobs' target annual cash incentive compensation for the year of termination, (ii) subject to Mr. Jacobs' copayment of premium amounts at the applicable active employees' rate and proper election to continue COBRA health coverage, a monthly cash payment equal to the amount that we would have paid to provide health insurance to Mr. Jacobs had he remained employed with us until the earliest of (A) _____ months following termination, (B) Mr. Jacobs' eligibility for group medical plan benefits under any other employer's group medical plan or (C) the end of Mr. Jacobs' COBRA health continuation period, and (iii) accelerated vesting of 100% of all stock options and other stock-based awards subject to time-based vesting held by Mr. Jacobs.

The payments and benefits provided to Mr. Jacobs under in connection with a change in control may not be eligible for a federal income tax deduction for the company pursuant to Section 280G of the Code and may subject Mr. Jacobs to an excise tax under Section 4999 of the Code. If the payments or benefits payable to Mr. Jacobs in connection with a change in control would be subject to the excise tax on golden parachutes imposed under Section 4999 of the Code, then those payments or benefits will be reduced if such reduction would result in a higher net after-tax benefit to Mr. Jacobs.

Jared Gollob, M.D.

Under the employment agreement we intend to enter into with Dr. Gollob, or the Gollob Employment Agreement, Dr. Gollob will continue to serve as our Chief Medical Officer on an at-will basis. Dr. Gollob's current annual base salary is \$345,999, which is subject to periodic review and adjustment, and he is eligible to earn an annual bonus with a target amount equal to 30% of his base salary. Dr. Gollob is also eligible to participate in the employee benefit plans available to our employees, subject to the terms of those plans.

Pursuant to the Gollob Employment Agreement, in the event that his employment is terminated by us without "cause" or Dr. Gollob resigns for "good reason" (as each term is defined in the Gollob Employment Agreement), subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor, he will be entitled to receive (i) base salary continuation for _____ months following termination, and (ii) subject to Dr. Gollob's copayment of premium amounts at the applicable active employees' rate and proper election to continue COBRA health coverage, a monthly cash payment equal to the amount that we would have paid to provide health insurance to Dr. Gollob had he remained employed with us until the earliest of (A) _____ months following termination, (B) Dr. Gollob's eligibility for group medical plan benefits under any other employer's group medical plan or (C) the end of Dr. Gollob's COBRA health continuation period.

In lieu of the payments and benefits described in the preceding sentence, in the event that Dr. Gollob's employment is terminated by us without cause or Dr. Gollob resigns for good reason, in either case within _____ months following a "change in control" (as defined in the Gollob Employment Agreement), subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor, he will be entitled to receive (i) a lump sum in cash equal to _____ times the sum of (A) Dr. Gollob's current annual base salary (or Dr. Gollob's annual base salary in effect immediately prior to the change in control, if higher) plus (B) Dr. Gollob's target annual cash incentive compensation for the year of termination, (ii) subject to Dr. Gollob's copayment of premium amounts at the applicable active employees' rate and proper election to

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continue COBRA health coverage, a monthly cash payment equal to the amount that we would have paid to provide health insurance to Dr. Gollob had he remained employed with us until the earliest of (A) _____ months following termination, (B) Dr. Gollob's eligibility for group medical plan benefits under any other employer's group medical plan or (C) the end of Dr. Gollob's COBRA health continuation period, and (iii) accelerated vesting of 100% of all stock options and other stock-based awards subject to time-based vesting held by Dr. Gollob.

The payments and benefits provided to Dr. Gollob in connection with a change in control may not be eligible for a federal income tax deduction for the company pursuant to Section 280G of the Code and may subject Dr. Gollob to an excise tax under Section 4999 of the Code. If the payments or benefits payable to Dr. Gollob in connection with a change in control would be subject to the excise tax on golden parachutes imposed under Section 4999 of the Code, then those payments or benefits will be reduced if such reduction would result in a higher net after-tax benefit to Dr. Gollob.

Outstanding Equity Awards at 2019 Fiscal Year-End

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2019. It assumes an initial public offering price of \$ _____ (the midpoint of the price range set forth on the cover page of this prospectus). Dr. Audoly did not hold any outstanding equity awards as of December 31, 2019.

| Name | Grant Date | Vesting Commencement Date | Option Awards | | | | | Stock Awards | |
|--|---------------------------------------|------------------------------------|---|---|---|----------------------------|---------------------------------------|---|--|
| | | | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$) |
| Nello Mainolfi, Ph.D. <i>Founder, President and Chief Executive Officer</i> | 5/23/2019 11/14/2019 11/14/2019 | 2/7/2019 11/14/2019 — | 57,291(1) 20,676(1) — | 217,709(1) 971,799(1) — | — — 466,868(2) | 1.30 1.30 1.30 | 5/22/2029 11/13/2029 11/13/2029 | | |
| Bruce Jacobs, CFA, MBA <i>Chief Financial Officer</i> | 8/29/2019 8/29/2019 | 7/1/2019 7/1/2023 | — — | 437,100(3) — | — 87,420(4) | 1.30 1.30 | 8/28/2029 8/28/2029 | | |
| Jared Gollob, M.D. <i>Chief Medical Officer</i> | 11/1/2018 11/1/2018 5/23/2019 | 9/12/2018 9/12/2018 2/7/2019 | — 34,892(3) 45,991(1) | — 76,763(3) 174,768(1) | — — — | — 0.82 1.30 | — 10/31/2028 5/22/2029 | 117,926(5) | |

- (1) The shares subject to this stock option vest in 48 equal monthly installments following the vesting commencement date, subject to the named executive officer's continued service with us through the applicable vesting date.
- (2) The shares subject to this stock option vest in full upon the achievement of specified performance criteria on or before January 1, 2023, subject to Dr. Mainolfi's continued employment in good standing as our President and Chief Executive Officer through such date.
- (3) The shares subject to this stock option vest as to 25% on the first anniversary of the vesting commencement date, and as to the remaining 75% in 36 equal monthly installments following the first anniversary of the vesting commencement date, subject to the named executive officer's continued service with us through the applicable vesting date.
- (4) The shares subject to this stock option vest as to 25% upon achievement of specified performance criteria, or the Performance Condition, on or before July 1, 2023, provided that Mr. Jacobs continues to be employed in good standing as our Chief Financial Officer through such date and, provided that the Performance Condition has been achieved, as to the remaining 75% in 36 equal monthly installments following the first anniversary of the vesting commencement date, subject to Mr. Jacobs' continued service with us through the applicable vesting date.
- (5) The 171,528 shares subject to this restricted stock award vest as to 25% on the first anniversary of the vesting commencement date, and as to the remaining 75% in 36 equal monthly installments following the first anniversary of the vesting commencement date, in each case subject to Dr. Gollob's continued service with us through the applicable vesting date.

Compensation Risk Assessment

We believe that although a portion of the compensation provided to our executive officers and other employees is performance-based, our executive compensation program does not encourage excessive or unnecessary risk taking. This

is primarily due to the fact that our compensation programs are designed to encourage our executive officers and other employees to remain focused on both short-term and long-term strategic goals. As a result, we do not believe that our compensation programs are reasonably likely to have a material adverse effect on us.

Employee Benefit and Equity Compensation Plans

2018 Stock Option and Grant Plan

Our 2018 Plan was approved by our board of directors and our stockholders in October 2018 and was most recently amended in March 2020. Under the 2018 Plan, as amended through the date hereof, we have reserved for issuance an aggregate of 9,649,782 shares of our common stock. The number of shares of common stock reserved for issuance is subject to adjustment in the event of any merger, consolidation, sale of all or substantially all of our assets, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar transaction.

The shares of common stock underlying awards that are forfeited, canceled, reacquired by us prior to vesting, satisfied without the issuance of stock or otherwise terminated (other than by exercise) and shares of common stock that are withheld upon exercise of an option or settlement of an award to cover the exercise price or tax withholding are currently added back to the shares of common stock available for issuance under the 2018 Plan. Following this offering, such shares will be added to the shares of common stock available under the 2020 Stock Option and Incentive Plan, or the 2020 Plan.

Our board of directors has acted as administrator of the 2018 Plan. The administrator has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, and to determine the specific terms and conditions of each award, subject to the provisions of the 2018 Plan. Persons eligible to participate in the 2018 Plan are those employees, officers and directors of, and consultants and advisors to, our company as selected from time to time by the administrator in its discretion.

The 2018 Plan permits the granting of (1) options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify. The per share exercise price of each option is determined by the administrator but may not be less than 100% of the fair market value of the common stock on the date of grant. The term of each option is fixed by the administrator but may not exceed 10 years from the date of grant. The administrator determines at what time or times each option may be exercised. In addition, the 2018 Plan permits the granting of restricted shares of common stock, unrestricted shares of common stock, and restricted stock units.

The 2018 Plan provides that upon the occurrence of a “sale event,” as defined in the 2018 Plan, all outstanding stock options will terminate at the effective time of such sale event, unless the parties to the sale event agree that such awards will be assumed or continued by the successor entity. In the event of a termination of the 2018 Plan and all options issued thereunder in connection with a sale event, optionees will be provided an opportunity to exercise options that are then exercisable or will become exercisable as of the effective time of the sale event prior to the consummation of the sale event. In addition, we have the right to provide for cash payment to holders of options, in exchange for the cancellation thereof, in an amount per share equal to the difference between the value of the consideration payable per share of common stock in the sale event and the per share exercise price of such options. In the event of, and subject to the consummation of, a sale event, restricted stock and restricted stock units (other than those becoming vested as a result of the sale event) will be forfeited immediately prior to the effective time of a sale event unless such awards are assumed or continued by the successor entity. In the event that shares of restricted stock are forfeited in connection with a sale event, such shares of restricted stock shall be repurchased at a price per share equal to the original per share purchase price of such shares. We have the right to provide for cash payment to holders of restricted stock or restricted stock units, in exchange for the cancellation thereof, in an amount per share equal to the value of the consideration payable per share of common stock in the sale event.

Additionally, the 2018 Plan provides for certain drag along rights pursuant to which grantees may be obligated to, on the request of the Required Holders (as defined in our certificate of incorporation as amended and in effect from time to time), sell, transfer and deliver, or cause to be sold, transferred and delivered, to a buyer, their shares in the event the majority shareholders determine to enter into a sale event with a buyer.

The board of directors may amend or discontinue the 2018 Plan at any time, subject to stockholder approval where such approval is required by applicable law. The administrator of the 2018 Plan may also amend or cancel any outstanding award, provided that no amendment to an award may adversely affect a participant's rights without his or her consent. The administrator of the 2018 Plan is specifically authorized to exercise its discretion to reduce the exercise price of outstanding stock options or effect the repricing of such awards through cancellation and re-grants.

The 2018 Plan will terminate automatically upon the earlier of 10 years from the date on which the 2018 Plan was initially adopted by our board of directors or 10 years from the date the 2018 Plan was initially approved by our stockholders. As of May 31, 2020, options to purchase 7,101,783 shares of common stock were outstanding under the 2018 Plan. Our board of directors has determined not to make any further awards under the 2018 Plan following the closing of this offering.

2020 Stock Option and Incentive Plan

Our 2020 Plan was adopted by our board of directors on _____, 2020, approved by our stockholders on _____, 2020 and will become effective upon the date immediately preceding the date on which the registration statement of which this prospectus is part is declared effective by the SEC. The 2020 Plan will replace the 2018 Plan as our board of directors has determined not to make additional awards under the 2018 Plan following the closing of our initial public offering. However, the 2018 Plan will continue to govern outstanding equity awards granted thereunder. The 2020 Plan allows the us to make equity-based and cash-based incentive awards to our officers, employees, directors and consultants.

We have initially reserved _____ shares of our common stock for the issuance of awards under the 2020 Plan, or the Initial Limit. The 2020 Plan provides that the number of shares reserved and available for issuance under the 2020 Plan will automatically increase on January 1, 2021 and each January 1 thereafter, by _____ % of the outstanding number of shares of our common stock on the immediately preceding December 31, or such lesser number of shares as determined by our compensation committee, or the Annual Increase. These limits are subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The shares we issue under the 2020 Plan will be authorized but unissued shares or shares that we reacquire. The shares of common stock underlying any awards under the 2020 Plan and the 2018 Plan that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without the issuance of stock, expire or are otherwise terminated (other than by exercise) will be added back to the shares of common stock available for issuance under the 2020 Plan.

The maximum aggregate number of shares that may be issued in the form of incentive stock options shall not exceed the Initial Limit, cumulatively increased on January 1, 2021 and on each January 1 thereafter by the lesser of the Annual Increase for such year or _____ shares of common stock.

The grant date fair value of all awards made under our 2020 Plan and all other cash compensation paid by us to any non-employee director in any calendar year for services as a non-employee director shall not exceed \$ _____; provided, however, that such amount shall be \$ _____ for the calendar year in which the applicable non-employee director is initially elected or appointed to the board of directors.

The 2020 Plan will be administered by our compensation committee. Our compensation committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted

and the number of shares subject to such awards, to make any combination of awards to participants, to accelerate at any time the exercisability or vesting of any award and to determine the specific terms and conditions of each award, subject to the provisions of the 2020 Plan. Persons eligible to participate in the 2020 Plan will be those full or part-time officers, employees, non-employee directors and consultants as selected from time to time by our compensation committee in its discretion.

The 2020 Plan permits the granting of both options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify. The option exercise price of each option will be determined by our compensation committee but may not be less than 100% of the fair market value of our common stock on the date of grant unless the option is granted (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code or (ii) to individuals who are not subject to U.S. income tax. The term of each option will be fixed by our compensation committee and may not exceed 10 years from the date of grant. Our compensation committee will determine at what time or times each option may be exercised.

Our compensation committee may award stock appreciation rights under the 2020 Plan subject to such conditions and restrictions as it may determine. Stock appreciation rights entitle the recipient to shares of common stock, or cash, equal to the value of the appreciation in our stock price over the exercise price. The exercise price of each stock appreciation right may not be less than 100% of the fair market value of our common stock on the date of grant. The term of each stock appreciation right will be fixed by our compensation committee and may not exceed 10 years from the date of grant. Our compensation committee will determine at what time or times each stock appreciation right may be exercised.

Our compensation committee may award restricted shares of common stock and restricted stock units to participants subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified vesting period. Our compensation committee may also grant shares of common stock that are free from any restrictions under the 2020 Plan. Unrestricted stock may be granted to participants in recognition of past services or for other valid consideration and may be issued in lieu of cash compensation due to such participant.

Our compensation committee may grant dividend equivalent rights to participants that entitle the recipient to receive credits for dividends that would be paid if the recipient had held a specified number of shares of our common stock.

Our compensation committee may grant cash bonuses under the 2020 Plan to participants, subject to the achievement of certain performance goals.

The 2020 Plan provides that upon the effectiveness of a “sale event,” as defined in the 2020 Plan, an acquirer or successor entity may assume, continue or substitute outstanding awards under the 2020 Plan. To the extent that awards granted under the 2020 Plan are not assumed or continued or substituted by the successor entity, upon the effective time of the sale event, such awards shall terminate. In such case, except as may be otherwise provided in the relevant award certificate, all awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the sale event, and all awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a sale event in the administrator’s discretion or to the extent specified in the relevant award certificate. In the event of such termination, individuals holding options and stock appreciation rights will be permitted to exercise such options and stock appreciation rights (to the extent exercisable) within a specified period of time prior to the sale event. In addition, in connection with the termination of the 2020 Plan upon a sale event, we may make or provide for a payment, in cash or in kind, to participants holding vested and exercisable options and stock appreciation rights equal to the difference between the per share consideration payable to stockholders in the sale event and the exercise price of the options or stock appreciation rights and we may make or provide for a payment, in cash or in kind, to participants holding other vested awards.

Our board of directors may amend or discontinue the 2020 Plan and our compensation committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose but no such action may adversely affect rights under an award without the holder's consent. Certain amendments to the 2020 Plan require the approval of our stockholders. The administrator of the 2020 Plan is specifically authorized to exercise its discretion to reduce the exercise price of outstanding stock options and stock appreciation rights or effect the repricing of such awards through cancellation and re-grants without stockholder consent. No awards may be granted under the 2020 Plan after the date that is 10 years from the effective date of the 2020 Plan. No awards under the 2020 Plan have been made prior to the date of this prospectus.

2020 Employee Stock Purchase Plan

Our 2020 ESPP, was adopted by our board of directors on _____ 2020, approved by our stockholders on _____ 2020 and will become effective on the date immediately preceding the date on which the registration statement of which this prospectus is part is declared effective by the SEC. The 2020 ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code. The 2020 ESPP initially reserves and authorizes the issuance of up to a total of _____ shares of common stock to participating employees. The 2020 ESPP provides that the number of shares reserved and available for issuance will automatically increase on January 1, 2021 and each January 1 thereafter through January 1, 2030, by the least of (i) _____ shares of common stock, (ii) _____ % of the outstanding number of shares of our common stock on the immediately preceding December 31 or (iii) such lesser number of shares of common stock as determined by the administrator of the 2020 ESPP. The number of shares reserved under the 2020 ESPP is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

All employees whose customary employment is for more than _____ hours per week and who have completed at least _____ days/months of employment are eligible to participate in the ESPP. However, any employee who owns 5% or more of the total combined voting power or value of all classes of stock will not be eligible to purchase shares under the 2020 ESPP.

We may make one or more offerings each year to our employees to purchase shares under the ESPP. Offerings will usually begin on each _____ and _____ and will continue for six-month periods, referred to as offering periods. Each eligible employee may elect to participate in any offering by submitting an enrollment form at least 15 business days before the relevant offering date.

Each employee who is a participant in the 2020 ESPP may purchase shares by authorizing payroll deductions of up to _____ % of his or her eligible compensation during an offering period. Unless the participating employee has previously withdrawn from the offering, his or her accumulated payroll deductions will be used to purchase shares of common stock on the last business day of the offering period at a price equal to _____ % of the fair market value of the shares on the first business day or the last business day of the offering period, whichever is lower, provided that no more than _____ shares of common stock may be purchased by any one employee during any offering period. Under applicable tax rules, an employee may purchase no more than \$25,000 worth of shares of common stock, valued at the start of the purchase period, under the ESPP in any calendar year.

The accumulated payroll deductions of any employee who is not a participant on the last day of an offering period will be refunded. An employee's rights under the 2020 ESPP terminate upon voluntary withdrawal from the plan or when the employee ceases employment with us for any reason.

The 2020 ESPP may be terminated or amended by our board of directors at any time. An amendment that increases the number of shares of common stock authorized under the 2020 ESPP and certain other amendments require the approval of our stockholders.

Senior Executive Cash Incentive Bonus Plan

On _____, 2020, our board of directors adopted the Senior Executive Cash Incentive Bonus Plan, or the Bonus Plan. The Bonus Plan provides for annual cash bonus payments based upon the attainment of company and individual performance targets established by our compensation committee. The payment targets will be related to financial, clinical and operational measures or objectives with respect to our company, or the Corporate Performance Goals, as well as individual performance objectives.

Our compensation committee may select Corporate Performance Goals from among the following: cash flow (including, but not limited to, operating cash flow and free cash flow); research and development, publication, clinical and/or regulatory milestones; revenue; corporate revenue; earnings before interest, taxes, depreciation and amortization; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of our common stock; economic value-added; acquisitions or strategic transactions; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; working capital; earnings (loss) per share of our common stock; sales or market shares; operating income and/or net annual recurring revenue, any of which may be measured in absolute terms, as compared to any incremental increase, in terms of growth, or as compared to results of a peer group, against the market as a whole, compared to applicable market indices and/or measured on a pre-tax or post-tax basis.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The bonus formulas will be adopted in each performance period by the compensation committee and communicated to each executive. The Corporate Performance Goals will be measured at the end of each performance period after our financial reports have been published or such other appropriate time as the compensation committee determines. If the Corporate Performance Goals and individual performance objectives are met, payments will be made as soon as practicable following the end of each performance period, but not later than 74 days after the end of the fiscal year in which such performance period ends. Subject to the rights contained in any agreement between the executive officer and us, an executive officer must be employed by us on the bonus payment date to be eligible to receive a bonus payment. The Bonus Plan also permits the compensation committee to approve additional bonuses to executive officers in its sole discretion.

401(k) Plan

We participate in a retirement savings plan, or 401(k) plan, that is intended to qualify for favorable tax treatment under Section 401(a) of the Code, and contains a cash or deferred feature that is intended to meet the requirements of Section 401(k) of the Code. U.S. employees who are at least 21 years of age are generally eligible to participate in the 401(k) plan, subject to certain criteria. Participants may make pre-tax and certain after-tax (Roth) salary deferral contributions to the plan from their eligible earnings up to the statutorily prescribed annual limit under the Code. Participants who are 50 years of age or older may contribute additional amounts based on the statutory limits for catch-up contributions. Participant contributions are held in trust as required by law. An employee's interest in his or her salary deferral contributions is 100% vested when contributed. We have the ability to make discretionary contributions under the plan but did not make any contributions in 2019.

Limitations on Liability and Indemnification Agreements

As permitted by Delaware law, provisions in our fourth amended and restated certificate of incorporation and second amended and restated bylaws, both of which will become effective upon the closing of this offering, limit or eliminate the personal liability of directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, a director exercise an informed business judgment based on all material information reasonably available to him or her. Consequently, a director

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will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payments of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not limit or eliminate our rights or any stockholder's rights to seek non-monetary relief, such as injunctive relief or rescission. These provisions will not alter a director's liability under other laws, such as the federal securities laws or other state or federal laws. Our amended and restated certificate of incorporation that will become effective upon the closing of this offering also authorizes us to indemnify our directors to the fullest extent permitted under Delaware law.

As permitted by Delaware law, our amended and restated bylaws that will become effective upon the effectiveness of this registration statement of which this prospectus is part will provide that:

- we will indemnify our directors, officers, employees and other agents to the fullest extent permitted by law;
- we must advance expenses to our directors and officers, and may advance expenses to our employees and other agents, in connection with a legal proceeding to the fullest extent permitted by law; and
- the rights provided in our amended and restated bylaws are not exclusive.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director or officer, then the liability of our directors or officers will be so eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated bylaws will also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit such indemnification. We have obtained such insurance.

In addition to the indemnification that will be provided for in our amended and restated certificate of incorporation and amended and restated bylaws, we plan to enter into separate indemnification agreements with each of our directors and executive officers, which may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements may require us, among other things, to indemnify our directors and executive officers for some expenses, including attorneys' fees, expenses, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of his service as one of our directors or executive officers or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

This description of the indemnification provisions of our amended and restated certificate of incorporation, our amended and restated bylaws and our indemnification agreements is qualified in its entirety by reference to these documents, each of which is attached as an exhibit to the registration statement of which this prospectus forms a part.

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Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have 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.

There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

DIRECTOR COMPENSATION

The following table presents the total compensation for each person who served as a non-employee member of our board of directors during the year ended December 31, 2019. Other than as set forth in the table and described more fully below, we did not pay any compensation, make any equity awards or non-equity awards to, or pay any other compensation to any of the non-employee members of our board of directors in 2019 for their services as members of the board of directors. Amounts paid to Dr. Mainolfi, our Founder, President and Chief Executive Officer and a director, and Dr. Audoly, our former President and Chief Executive Officer and a former director, for their service as employees during 2019 are presented above in the “2019 Summary Compensation Table.” Drs. Mainolfi and Audoly did not receive any compensation for their services as directors for the fiscal year ended December 31, 2019.

2019 Director Compensation Table

| <u>Name</u> | <u>Fees Earned or Paid in Cash (\$)</u> | <u>Option Awards (\$)(1)</u> | <u>Total (\$)</u> |
|--------------------------------|---|--------------------------------------|-------------------|
| Bruce Booth, D.Phil. | — | — | — |
| Steven Hall, Ph.D. | — | — | — |
| Andrew Hedin | — | — | — |
| Joanna Horobin, M.B., Ch.B.(2) | 25,000 | 112,751 | 137,751 |
| Elaine Jones, Ph.D.(3) | — | — | — |
| Wei Li, Ph.D. | — | — | — |
| Donald W. Nicholson, Ph.D.(4) | 25,000 | 44,585 | 69,585 |
| Christopher O’Donnell, Ph.D. | — | — | — |

- (1) The amounts reported represent the aggregate grant date fair value of the stock options awarded to our non-employee directors during the fiscal year ended December 31, 2019, calculated in accordance with FASB, ASC Topic 718. Such grant date fair values do not take into account any estimated forfeitures. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 2 of our consolidated financial statements included elsewhere in this prospectus. The amounts reported in this column reflect the accounting cost for these stock options and do not correspond to the actual economic value that may be received by our non-employee directors upon the exercise of the stock options or any sale of the underlying shares of common stock.
- (2) As of December 31, 2019, Dr. Horobin held stock options to purchase 109,275 shares of common stock.
- (3) Dr. Jones resigned from the board of directors on April 15, 2019.
- (4) As of December 31, 2019, Dr. Nicholson held stock options to purchase 68,995 shares of common stock and 19,301 unvested shares of restricted stock.

Non-Employee Director Compensation Policy

In connection with this offering, we intend to adopt a non-employee director compensation policy that will become effective upon the date immediately preceding the date on which the registration statement of which this prospectus is part is declared effective. The policy will be designed to enable us to attract and retain, on a long-term basis, highly qualified non-employee directors. Under the policy, each director who is not an employee will be paid cash compensation from and after the completion of this offering, as set forth below:

| | <u>Annual Retainer</u> |
|---|------------------------|
| Board of Directors: | |
| Members | \$ |
| Additional retainer for non-executive chair | \$ |
| Audit Committee: | |
| Members (other than chair) | \$ |
| Retainer for chair | \$ |
| Compensation Committee: | |
| Members (other than chair) | \$ |
| Retainer for chair | \$ |
| Nominating and Corporate Governance Committee: | |
| Members (other than chair) | \$ |
| Retainer for chair | \$ |

In addition, the non-employee director compensation policy will provide that, upon initial election to our board of directors, each non-employee director will be granted an equity award with a fair market value of an option to purchase _____ shares of our common stock (“Initial Grant”). The Initial Grant will vest in equal installments on the first, second, and third anniversaries of the grant date, subject to continued service as a director through the applicable vesting date. Furthermore, on the date of each annual meeting of stockholders following the completion of this offering, each non-employee director who continues as a non-employee director following such meeting will be granted an option to purchase _____ shares of our common stock (“Annual Grant”). The Annual Grant will vest in full on the earlier of (i) the first anniversary of the grant date or (ii) our next annual meeting of stockholders, subject to continued service as a director through the applicable vesting date. Such awards are subject to full accelerated vesting upon the sale of the company.

We will reimburse all reasonable out-of-pocket expenses incurred by non-employee directors in attending meetings of the board of directors and committees thereof.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than the compensation agreements and other arrangements described under “Executive Compensation” and “Director Compensation” in this prospectus and the transactions described below, since January 1, 2017, there has not been and there is not currently proposed, any transaction or series of similar transactions to which we were, or will be, a party in which the amount involved exceeded, or will exceed, the lesser of (i) \$120,000 or (ii) one percent of the average of our total assets for the last two completed fiscal years, and in which any director, executive officer, holder of five percent or more of any class of our capital stock or any member of the immediate family of, or entities affiliated with, any of the foregoing persons, had, or will have, a direct or indirect material interest.

Private Placements of Securities

Promissory Bridge Notes

In January 2017, Project Chimera, Inc., or Chimera, issued to Atlas Venture Fund X, L.P., or Atlas Fund X, a promissory bridge note in the amount of \$0.4 million. In June 2017, pursuant to an equity exchange agreement with Atlas Fund X, in connection with the conversion of Chimera to Kymera Therapeutics LLC, or Kymera LLC, the promissory bridge note was exchanged for 40 bridge units. The bridge units, along with 60 bridge units from a prior issuance and exchange, were converted at the Series A convertible preferred stock financing to 1,000,000 Series Seed-2 preferred units, and, pursuant to the Reorganization, were converted to 1,000,000 shares of Series A convertible preferred stock of Kymera Therapeutics, Inc., or Kymera Inc. Atlas Fund X and its affiliate fund Atlas Venture Opportunity Fund I, L.P., or AVOF I, are holders of five percent or more of our capital stock. Atlas Fund X and AVOF I are affiliate funds of Atlas Venture Life Science Advisors, LLC, or Atlas. Bruce Booth, D.Phil., is a partner at Atlas and a member of our board of directors.

Simple Agreements for Future Equity (SAFEs)

In March 2017, May 2017 and June 2017, Chimera entered into Simple Agreements for Future Equity, or SAFEs, whereby it issued to Atlas Fund X the right to certain shares of our capital stock for consideration in the aggregate amount of \$3.0 million. In June 2017, pursuant to an equity exchange agreement with Atlas Fund X, in connection with the conversion of Chimera to Kymera LLC, the SAFEs were collectively exchanged for 300 bridge units. The SAFEs were converted at the Series A convertible preferred stock financing to 3,000,000 Series Seed-1 preferred units, and, pursuant to the Reorganization, were converted to 3,000,000 shares of Series Seed convertible preferred stock of Kymera Inc. Atlas Fund X and AVOF I are holders of five percent or more of our capital stock. Atlas Fund X and AVOF I are affiliate funds of Atlas. Dr. Booth is a partner at Atlas and a member of our board of directors.

Series A Preferred Units, Series Seed-1 Units, Series Seed-2 Units and Exchange of Series Seed-1 Bridge Units and Series Seed-2 Bridge Units Financing

In June 2017, pursuant to the Unit Purchase and Exchange Agreement, dated August 10, 2017, as amended on October 6, 2017 and May 25, 2018, or the Unit Purchase Agreement, we issued an aggregate of 3,000,000 Series Seed-1 units at \$1.00 per unit and an aggregate of 1,000,000 Series Seed 2-units at \$2.00 per unit to Atlas Fund X in exchange for a total of 500 seed bridge units. Also pursuant to the Unit Purchase Agreement, we issued an aggregate of 13,000,000 Series A preferred units split between two tranches, for a total of 5,750,000 units in the first tranche and 7,250,000 units in the second tranche, for an aggregate purchase price of \$26.0 million. The following tables summarize purchases of our Series Seed-1 preferred units, the Series Seed-2 preferred units and Series A preferred units by related persons:

| <u>STOCKHOLDER</u> | <u>SERIES SEED-1 PREFERRED UNITS</u> | <u>TOTAL PURCHASE PRICE</u> |
|-------------------------------|--|-------------------------------------|
| Atlas Venture Fund X, L.P.(1) | 3,000,000(3) | \$ — |

| STOCKHOLDER | SERIES SEED-2 PREFERRED UNITS | TOTAL PURCHASE PRICE |
|-------------------------------|--|-------------------------------------|
| Atlas Venture Fund X, L.P.(1) | 1,000,000(4) | \$ — |

| STOCKHOLDER | SERIES A PREFERRED UNITS | TOTAL PURCHASE PRICE |
|-------------------------------|---|-------------------------------------|
| Atlas Venture Fund X, L.P.(1) | 6,000,000(4) | \$12,000,000 |
| Lilly Ventures Fund I, LLC(2) | 4,500,000(5) | \$ 9,000,000 |

- (1) Atlas Fund X and AVOF I are holders of five percent or more of our capital stock. Atlas Fund X and AVOF I are affiliate funds of Atlas. Dr. Booth is a partner at Atlas and a member of our board of directors.
- (2) Lilly Ventures Fund I, LLC, or Lilly Fund I, is a holder of five percent or more of our capital stock. Lilly Fund I is an affiliate fund of LV Management Group, LLC, or LVMG. Dr. Hall is an affiliate of LVMG and a member of our board of directors.
- (3) Atlas Fund X holds 3,000,000 shares of Series Seed convertible preferred stock, upon exchange of 3,000,000 Series Seed-1 preferred units for shares of Series Seed convertible preferred stock in the Reorganization.
- (4) Atlas Fund X holds an aggregate of 7,000,000 shares of Series A convertible preferred stock, upon exchange of 6,000,000 Series A preferred units for shares of Series A convertible preferred stock and exchange of 1,000,000 Series Seed-2 preferred units for shares of Series A convertible stock in the Reorganization.
- (5) Lilly Fund I holds 4,500,000 shares of Series A convertible preferred stock, upon exchange of 4,500,000 Series A preferred units for shares of Series A convertible preferred stock in the Reorganization.

Restricted Stock Awards

In November 2018, in connection with the Reorganization, we granted 1,886,775 shares of restricted common stock to holders of Kymera LLC's outstanding non-voting incentive units with a \$0.00 strike price and outstanding non-voting incentive units with \$0.30 strike price. Dr. Gollob, our Chief Medical Officer, was issued a total of 171,528 shares of restricted common stock upon conversion of 283,183 non-voting incentive units with a \$0.30 strike price. Dr. Mainolfi, our Founder, President and Chief Executive Officer as well as a member of our board of directors, was issued a total of 600,000 shares of restricted common stock upon conversion of 600,000 common units.

Series B Convertible Preferred Stock Financing

In November 2018 we sold an aggregate of 16,009,845 shares of our Series B convertible preferred stock at a purchase price of \$4.06 per share for aggregate gross proceeds of \$65.0 million. The following table summarizes purchases of our Series B convertible preferred stock by related persons:

| STOCKHOLDER | SHARES OF SERIES B PREFERRED STOCK | TOTAL PURCHASE PRICE |
|--|---|-------------------------------------|
| Atlas Venture Fund X, L.P.(1) | 1,477,832 | \$ 5,999,997.92 |
| Bessemer Venture Partners (Affiliated Entities)(2) | 2,463,054 | \$ 9,999,999.24 |
| Lilly Ventures Fund I, LLC(3) | 985,220 | \$ 3,999,993.20 |
| Pfizer Inc.(4) | 2,463,054 | \$ 9,999,999.24 |
| 6 Dimensions Capital (Affiliated Entities)(5) | 2,463,054 | \$ 9,999,999.24 |

- (1) Atlas Fund X and AVOF I are holders of five percent or more of our capital stock. Atlas Fund X and AVOF I are affiliate funds of Atlas. Dr. Booth is a partner at Atlas and a member of our board of directors.
- (2) Bessemer Venture Partners IX L.P., or BVP IX, and Bessemer Venture Partners IX Institutional L.P., or BVP IX Institutional, collectively hold five percent or more of our capital stock. BVP IX and BVP IX

Institutional are affiliate funds of Bessemer Venture Partners, or Bessemer. Andrew Hedin is a Principal of Bessemer and a member of our board of directors. Deer IX & Co. L.P., or Deer IX L.P., is the general partner of the Bessemer Entities, and Deer IX & Co. Ltd., or Deer IX Ltd., is the general partner of Deer IX L.P. David J. Cowan, Byron B. Deeter, Robert P. Goodman, Jeremy S. Levine, Adam Fisher and Robert M. Stavis are the directors of Deer IX Ltd. and hold the voting and dispositive power for the Bessemer Entities. Investment and voting decisions with respect to the shares held by the Bessemer Entities are made by the directors of Deer IX Ltd. acting as an investment committee.

- (3) Lilly Fund I is a holder of five percent or more of our capital stock. Lilly Fund I is an affiliate fund of LVMG. Dr. Hall is an affiliate of LVMG and a member of our board of directors.
- (4) Pfizer Inc., or Pfizer, is a holder of five percent or more of our capital stock. Pfizer is an affiliate fund of Pfizer Ventures. Christopher O’Donnell, Ph.D., is an affiliate of Pfizer Ventures and a member of our board of directors.
- (5) 6 Dimensions Capital, L.P., or 6D Capital, and its affiliate fund, 6 Dimensions Affiliates Fund, L.P., or 6D Affiliates, are holders of five percent or more of our capital stock. 6D Capital and 6D Affiliates are affiliate funds of 6 Dimensions Capital. Wei Li, Ph.D., is an affiliate of 6 Dimensions Capital and a member of our board of directors.

Series B-1 Convertible Preferred Stock Financing

In May 2019 we sold an aggregate of 3,059,695 shares of our Series B-1 convertible preferred stock to Vertex Pharmaceuticals Incorporated, or Vertex, at a purchase price of \$6.5366 per share for aggregate gross proceeds of \$20.0 million. Vertex is a holder of five percent or more of our capital stock. We have entered into a Master Collaboration Agreement with Vertex. See the section entitled “Business—Collaborations—Master Collaboration Agreement with Vertex Pharmaceuticals Incorporated” appearing elsewhere in this prospectus for more information.

Series C Convertible Preferred Stock Financing

In March 2020 we sold an aggregate of 15,527,943 shares of our Series C convertible preferred stock at a purchase price of \$6.5366 per share for aggregate gross proceeds of \$101.5 million. The following table summarizes purchases of our Series C convertible preferred stock by related persons:

| STOCKHOLDER | SHARES OF SERIES C PREFERRED STOCK | TOTAL PURCHASE PRICE |
|--|---|-------------------------------------|
| Atlas Venture Opportunity Fund I, L.P.(1) | 1,774,624 | \$ 11,600,007.24 |
| Bessemer Venture Partners (Affiliated Entities)(2) | 336,566 | \$ 2,199,997.32 |
| Pfizer Inc.(3) | 336,566 | \$ 2,199,997.32 |
| 6 Dimensions Capital (Affiliated Entities)(4) | 336,566 | \$ 2,199,997.33 |
| Vertex Pharmaceuticals Incorporated(5) | 887,311 | \$ 5,799,997.09 |

- (1) Atlas Fund X and AVOF I are holders of five percent or more of our capital stock. Atlas Fund X and AVOF I are affiliate funds of Atlas. Dr. Booth is a partner at Atlas and a member of our board of directors.
- (2) BVP IX and BVP IX Institutional collectively hold five percent or more of our capital stock. BVP IX and BVP IX Institutional are affiliate funds of Bessemer. Mr. Hedin is a Principal of Bessemer and a member of our board of directors. Deer IX L.P. is the general partner of the Bessemer Entities, and Deer IX Ltd. is the general partner of Deer IX L.P. David J. Cowan, Byron B. Deeter, Robert P. Goodman, Jeremy S. Levine, Adam Fisher and Robert M. Stavis are the directors of Deer IX Ltd. and hold the voting and dispositive power for the Bessemer Entities. Investment and voting decisions with respect to the shares held by the Bessemer Entities are made by the directors of Deer IX Ltd. acting as an investment committee.
- (3) Pfizer is a holder of five percent or more of our capital stock. Pfizer is an affiliate fund of Pfizer Ventures. Dr. O’Donnell is an affiliate of Pfizer Ventures and a member of our board of directors.

- (4) 6D Capital and 6D Affiliates are holders of five percent or more of our capital stock. 6D Capital and 6D Affiliates are affiliate funds of 6 Dimensions Capital. Dr. Li is an affiliate of 6 Dimensions Capital and a member of our board of directors.
- (5) Vertex is a holder of five percent or more of our capital stock. We have entered into a Master Collaboration Agreement with Vertex.

Management and Consulting Services

During the years ended December 31, 2018 and 2019, we received consulting, advisory and related services from Atlas, in the amount of \$133,394 and \$480, respectively. Atlas, through its affiliates Atlas Fund X and AVOF I, has a greater than five percent ownership interest in us. Bruce Booth, D.Phil., is a partner at Atlas and a Founder of our company and a member of our board of directors. These consulting fees were paid to Atlas in amounts mutually agreed upon in advance by us and Atlas in consideration of certain strategic and ordinary course business operations services, and such services were provided to us on an as-needed basis, from time to time and at our request, by individuals affiliated with Atlas. Such fees were payable pursuant to invoices submitted to us by Atlas from time to time. None of these consulting fees were paid directly to Dr. Booth. The consulting fees paid to Atlas did not exceed five percent of the consolidated gross revenue of Atlas during any of these fiscal years.

Vertex Collaboration Agreement

On May 9, 2019, we entered into a collaboration agreement with Vertex setting forth a strategic research and development program between the parties to advance small molecule protein degraders against multiple targets. As initial consideration for the collaboration, Vertex paid us \$70 million upfront, which amount included a \$20 million equity investment in us through the purchase of 3,059,695 shares of our Series B-1 convertible preferred stock. Vertex holds five percent or more of our capital stock. See the section entitled “Business—Collaborations—Master Collaboration Agreement with Vertex Pharmaceuticals Incorporated” appearing elsewhere in this prospectus for more information.

Vertex Participation Agreement

On May 9, 2019, we entered into a participation agreement with Vertex granting Vertex the right to purchase shares of our common stock in a private placement that would close concurrently with this initial public offering and to purchase shares of our common stock in connection with any follow-on offering (as defined in the participation agreement). Vertex is a holder of five percent or more of our capital stock.

Agreements with Stockholders

In connection with our Series C convertible preferred stock financing, we entered into investors’ rights, voting and right of first refusal and co-sale agreements as well as management rights letters containing registration rights, information rights, voting rights and rights of first refusal, among other things, with certain holders of our convertible preferred stock and certain holders of our common stock. The management rights letters provide for certain information rights and rights to consult with our management. These stockholder agreements and the management rights letters will terminate upon the closing of this offering, except for the registration rights granted under our investors’ rights agreement, as more fully described in “Description of Capital Stock—Registration Rights.”

Indemnification Agreements

In connection with this offering, we intend to enter into new agreements to indemnify our directors and executive officers. These agreements will, among other things, require us to indemnify these individuals for certain expenses (including attorneys’ fees), judgments, fines and settlement amounts reasonably incurred by such person in any action or proceeding, including any action by or in our right, on account of any services undertaken by such person on behalf of our company or that person’s status as a member of our board of directors to the maximum extent allowed under Delaware law.

Policies for Approval of Related Party Transactions

Our board of directors reviews and approves transactions with directors, officers and holders of five percent or more of our voting securities and their affiliates, each a related party. Prior to this offering, the material facts as to the related party's relationship or interest in the transaction are disclosed to our board of directors prior to their consideration of such transaction, and the transaction is not considered approved by our board of directors unless a majority of the directors who are not interested in the transaction approve the transaction. Further, when our stockholders are entitled to vote on a transaction with a related party, the material facts of the related party's relationship or interest in the transaction are disclosed to the stockholders, who must approve the transaction in good faith.

In connection with this offering, we expect to adopt a written related party transactions policy that will provide that such transactions must be approved by our audit committee. This policy will become effective on the date on which the registration statement of which this prospectus is part is declared effective by the SEC. Pursuant to this policy, the audit committee has the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed the lesser of (i) \$120,000 or (ii) one percent of the average of our total assets for the last two completed fiscal years, and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person will be defined as a director, executive officer, nominee for director, or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information known to us regarding beneficial ownership of our common stock as of May 31, 2020 by:

- each person or group of affiliated persons known by us to be the beneficial owner of more than five percent of our capital stock;
- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

The column entitled “Percentage of Shares Beneficially Owned—Before Offering” is calculated based on 55,291,517 shares of common stock outstanding as of May 31, 2020, assuming the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 50,494,986 shares of our common stock upon the completion of this offering and the concurrent private placements. The column entitled “Percentage of Shares Beneficially Owned—After Offering” is based on _____ shares of our common stock to be outstanding after this offering and the concurrent private placements, 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.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities as well as any shares of common stock that the person has the right to acquire within 60 days of May 31, 2020 through the exercise of stock options or other rights. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them.

Except as otherwise noted below, the address for persons listed in the table is c/o 300 Technology Square, 2nd Floor, Cambridge, MA 02139.

| NAME AND ADDRESS OF BENEFICIAL OWNER | NUMBER OF SHARES BENEFICIALLY OWNED PRIOR TO OFFERING | PERCENTAGE OF SHARES BENEFICIALLY OWNED | |
|---|---|--|--------------------------|
| | | BEFORE OFFERING (%) | AFTER OFFERING (%) |
| 5% or Greater Stockholders: | | | |
| Entities affiliated with Atlas Venture Partners ⁽¹⁾ | 14,452,456 | 26.14% | |
| Vertex Pharmaceuticals Incorporated ⁽²⁾ | 3,947,006 | 7.14% | |
| Lilly Ventures Fund I, LLC ⁽³⁾ | 3,496,418 | 6.32% | |
| Pfizer Inc. ⁽⁴⁾ | 2,799,620 | 5.06% | |
| Entities affiliated with 6 Dimensions ⁽⁵⁾ | 2,799,620 | 5.06% | |
| Entities affiliated with Bessemer Venture Partners ⁽⁶⁾ | 2,799,620 | 5.06% | |
| Named Executive Officers, Other Executive Officers, and Directors: | | | |
| Nello Mainolfi, Ph.D. ⁽⁷⁾ | 883,223 | 1.59% | |
| Bruce Jacobs, MBA ⁽⁸⁾ | 114,065 | * | |
| Jared Gollob, M.D. ⁽⁹⁾ | 304,103 | * | |
| Laurent Audoly, Ph.D. ⁽¹⁰⁾ | 394,190 | * | |
| Bruce Booth, D.Phil. ⁽¹⁾ | 14,452,456 | 26.14% | |

| NAME AND ADDRESS OF BENEFICIAL OWNER | NUMBER OF SHARES BENEFICIALLY OWNED PRIOR TO OFFERING | PERCENTAGE OF SHARES BENEFICIALLY OWNED | |
|--|---|---|--------------------|
| | | BEFORE OFFERING (%) | AFTER OFFERING (%) |
| Steven Hall, Ph.D. ⁽³⁾ | 3,496,418 | 6.32% | |
| Andrew Hedin | — | — | |
| Joanna Horobin, M.B., Ch.B. ⁽¹¹⁾ | 52,627 | * | |
| Gorjan Hrutanovic, Ph.D. | — | — | |
| Wei Li, Ph.D. | — | — | |
| Donald W. Nicholson, Ph.D. ⁽¹²⁾ | 73,820 | * | |
| Christopher O'Donnell, Ph.D. | — | — | |
| All named executive officers, other executive officers and directors as a group (12 persons)⁽¹³⁾ | 19,770,902 | 35.36% | |

* Less than 1%

- (1) Consists of (i) 1,200,000 shares of common stock held by Atlas Venture Fund X, L.P., or Atlas Fund X, (ii) 3,000,000 shares of common stock issuable upon conversion of shares of Series Seed convertible preferred stock held by Atlas Fund X, (iii) 7,000,000 shares of common stock issuable upon conversion of shares of Series A convertible preferred stock held by Atlas Fund X, (iv) 1,477,832 shares of common stock issuable upon conversion of shares of Series B convertible preferred stock held by Atlas Fund X, and (v) 1,774,624 shares of common stock issuable upon conversion of shares of Series C convertible preferred stock held by Atlas Venture Opportunity Fund I, L.P., or AVOF I. Atlas Venture Associates X, L.P., or Atlas Associates X, is the general partner of Atlas Fund X, and Atlas Venture Associates X, LLC, or AVA X, is the general partner of Atlas Associates X. Atlas Venture Associates Opportunity I, L.P., or AVAO I, is the general partner of AVOF I, and Atlas Venture Associates Opportunity I, LLC, or AVAO LLC, is the general partner of AVAO I. Peter Barrett, Bruce Booth, Jean-François Formela, David Grayzel and Jason Rhodes are the members of AVA X and collectively make investment decisions on behalf of Atlas Fund X. Kevin Bitterman, Bruce Booth, Jean-François Formela, David Grayzel and Jason Rhodes are the members of AVAO LLC and collectively make investment decisions on behalf of AVOF I. Dr. Booth is also a member of our board of directors. Dr. Booth disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein, if any. The address for Atlas Fund X is 400 Technology Square, 10th Floor, Cambridge, Massachusetts 02139.
- (2) Consists of (i) 3,059,695 shares of common stock issuable upon conversion of shares of Series B-1 convertible preferred stock and (ii) 887,311 shares of common stock issuable upon conversion of shares of Series C convertible preferred stock. All shares are held directly by Vertex Pharmaceuticals Incorporated, or Vertex. The principal place of business Vertex is 50 Northern Avenue, Boston, Massachusetts 02210.
- (3) Consists of (i) 2,511,198 shares of common stock issuable upon conversion of shares of Series A convertible preferred stock and (ii) 985,220 shares of common stock issuable upon conversion of shares of Series B convertible preferred stock. All shares are held directly by Lilly Ventures Fund I, LLC, or LVFI. LV Management Group, LLC, or LVMG, is the management company for LVFI and as such may be deemed to indirectly beneficially own the shares held by LVFI. LVMG's voting and dispositive decisions with respect to the shares held by LVFI are made by LVMG's management committee, which consists of S. Edward Torres, Dr. Steven Hall and Dr. Armen B. Shanafelt. Dr. Hall is a member of our board of directors and an affiliate of LVMG. The address of LVMG is 333 N. Alabama St., Suite 350, Indianapolis, Indiana 46204.
- (4) Consists of (i) 2,463,054 shares of common stock issuable upon conversion of shares of Series B convertible preferred stock and (ii) 336,566 shares of common stock issuable upon conversion of shares of Series C convertible preferred stock. All shares are held directly by Pfizer Inc., or Pfizer. Christopher O'Donnell, Ph.D., a member of our board of directors, is employed by Pfizer. Dr. O'Donnell has no voting or dispositive power over the shares held by Pfizer and disclaims all beneficial ownership of such shares. The address of Pfizer is 235 East 42nd Street, New York, New York 10017.

- (5) Consists of (i) 2,339,901 shares of common stock issuable upon conversion of shares of Series B convertible preferred stock held by 6 Dimensions Capital, L.P., (ii) 123,153 shares of common stock issuable upon conversion of shares of Series B convertible preferred stock held by 6 Dimensions Affiliates Fund, L.P., (iii) 319,738 shares of common stock issuable upon conversion of shares of Series C convertible preferred stock held by 6 Dimensions Affiliates Fund, L.P., and (iv) 16,828 shares of common stock issuable upon conversion of shares of Series C convertible preferred stock held by 6 Dimensions Affiliates Fund, L.P. The general partner of each of 6 Dimensions Capital, L.P. and 6 Dimensions Affiliates Fund, L.P. is 6 Dimensions Capital GP, LLC, which is in turn ultimately controlled by Dr. Chen Lian Yong (Leon). Wei Li, Ph.D., is an affiliate of 6 Dimensions Capital GP, LLC and a member of our board of directors. The address of 6 Dimensions Capital, L.P. and 6 Dimensions Affiliates Fund, L.P., is Unit 6706, 67/F, The Center, 99 Queen's Road Central, Central, Hong Kong.
- (6) Consists of (i) 1,367,487 shares of common stock issuable upon conversion of shares of Series B convertible preferred stock held by Bessemer Venture Partners IX L.P., or BVP IX, (ii) 1,095,567 shares of common stock issuable upon conversion of shares of Series B convertible preferred stock held by Bessemer Venture Partners IX Institutional L.P., or BVP IX Institutional, (iii) 186,861 shares of common stock issuable upon conversion of shares of Series C convertible preferred stock held by BVP IX, and (iv) 149,705 shares of common stock issuable upon conversion of shares of Series C convertible preferred stock held by BVP IX Institutional, and together with BVP IX, the Bessemer Entities. Deer IX & Co. L.P., or Deer IX L.P., is the general partner of the Bessemer Entities, and Deer IX & Co. Ltd., or Deer IX Ltd., is the general partner of Deer IX L.P. David J. Cowan, Byron B. Deeter, Robert P. Goodman, Jeremy S. Levine, Adam Fisher and Robert M. Stavis are the directors of Deer IX Ltd. and hold the voting and dispositive power for the Bessemer Entities. Investment and voting decisions with respect to the shares held by the Bessemer Entities are made by the directors of Deer IX Ltd. acting as an investment committee. The address for each of the Bessemer Entities is c/o Bessemer Venture Partners, 1865 Palmer Avenue, Suite 104, Larchmont, New York 10538. Andrew Hedin disclaims beneficial ownership of the securities held by the Bessemer Entities, except to the extent of his pecuniary interest, if any, in such securities by virtue of his interest in the Bessemer Entities.
- (7) Consists of (i) 600,000 shares of common stock held by Dr. Mainolfi and (ii) 2,346,343 shares subject to options held by Dr. Mainolfi, of which 283,223 are vested and exercisable within 60 days of May 31, 2020.
- (8) Consists of 662,520 shares subject to options held by Mr. Jacobs, of which 114,065 are vested and exercisable within 60 days of May 31, 2020.
- (9) Consists of (i) 171,528 shares of common stock held by Dr. Gollob and (ii) 465,414 shares subject to options held by Dr. Gollob, of which 132,575 are vested and exercisable within 60 days of May 31, 2020.
- (10) Consists of 394,190 shares of common stock held by Dr. Audoly.
- (11) Consists of 144,275 shares subject to options held by Dr. Horobin, of which 52,627 are vested and exercisable within 60 days of May 31, 2020.
- (12) Consists of (i) 40,280 shares of common stock held by Dr. Nicholson and (ii) 103,995 shares subject to options held by Dr. Nicholson, of which 33,540 are vested and exercisable within 60 days of May 31, 2020.
- (13) Includes options to purchase 616,030 shares of common stock exercisable within 60 days of May 31, 2020 held by executive officers and directors, as described in notes seven (7) through twelve (12) above.

DESCRIPTION OF CAPITAL STOCK

The following descriptions are summaries of the material terms of our fourth amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to the closing of this offering. The descriptions of the common stock and convertible preferred stock give effect to changes to our capital structure that will occur upon the completion of this offering. We refer in this section to our fourth amended and restated certificate of incorporation as our certificate of incorporation, and we refer to our second amended and restated bylaws as our bylaws.

General

Upon completion of this offering, our authorized capital stock will consist of _____ shares of common stock, par value \$0.0001 per share, and _____ shares of convertible preferred stock, par value \$0.0001 per share, all of which shares of convertible preferred stock will be undesignated.

As of May 31, 2020, 3,519,392 shares of our common stock were outstanding and held of record by 33 stockholders, and 3,000,000 shares of Series Seed convertible preferred stock, 12,897,503 shares of Series A convertible preferred stock, 16,009,845 shares of Series B convertible preferred stock, 3,059,695 shares of Series B-1 convertible preferred stock and 15,527,943 shares of Series C convertible preferred stock were outstanding and held of record by 35 stockholders. This amount does not take into account the conversion of all outstanding shares of our convertible preferred stock into common stock upon the closing of this offering.

Common Stock

The holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of our stockholders. The holders of our common stock do not have any cumulative voting rights. Holders of our common stock are entitled to receive ratably any dividends declared by our board of directors out of funds legally available for that purpose, subject to any preferential dividend rights of any outstanding convertible preferred stock. Our common stock has no preemptive rights, conversion rights or other subscription rights or redemption or sinking fund provisions.

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in all assets remaining after payment of all debts and other liabilities and any liquidation preference of any outstanding convertible preferred stock. The shares to be issued by us in this offering will be, when issued and paid for, validly issued, fully paid and non-assessable.

Preferred Stock

Upon the completion of this offering, all outstanding shares of our convertible preferred stock will be converted into shares of our common stock. Upon the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to _____ shares of convertible preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of our convertible preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of convertible preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of convertible preferred stock will be outstanding, and we have no present plan to issue any shares of convertible preferred stock.

Stock Options

As of May 31, 2020, there were outstanding options to purchase an aggregate of 7,101,783 shares of our common stock.

Registration Rights

Upon the completion of this offering and the concurrent private placements, the holders of _____ shares of our common stock, including those issuable upon the conversion of convertible preferred stock, will be entitled to rights with respect to the registration of these securities under the Securities Act. These rights are provided under the terms of an investors' rights agreement between us and holders of our convertible preferred stock. The investors' rights agreement includes demand registration rights, short-form registration rights and piggyback registration rights. All fees, costs and expenses of underwritten registrations under this agreement will be borne by us and all selling expenses, including underwriting discounts and selling commissions, will be borne by the holders of the shares being registered.

Demand Registration Rights

Beginning 180 days after the effective date of this registration statement, the holders of _____ shares of our common stock issuable or issued upon the conversion of convertible preferred stock upon the completion of this offering, are entitled to demand registration rights. Under the terms of the investors' rights agreement, we will be required, upon the written request of holders of at least 55% of these securities, which must include (i) at least one Major Series A Investor, (ii) at least one Major Series B Investor and (iii) at least one Major Series C Investor, as such terms are defined in the investors' rights agreement), to file a registration statement and use commercially reasonable efforts to effect the registration of all or a portion of these shares for public resale. We are required to effect only two registrations pursuant to this provision of the investors' rights agreement.

Short-Form Registration Rights

Pursuant to the investors' rights agreement, if we are eligible to file a registration statement on Form S-3, upon the written request of holders of at least 5% of the Registrable Securities then outstanding, as such term is defined in the investors' rights agreement at an aggregate offer price of at least \$2.0 million, we will be required to use commercially reasonable efforts to effect a registration of such shares. We are required to effect only two registrations in any twelve month period pursuant to this provision of the investors' rights agreement. The right to have such shares registered on Form S-3 is further subject to other specified conditions and limitations.

Piggyback Registration Rights

Pursuant to the investors' rights agreement, if we register any of our securities either for our own account or for the account of other security holders, the holders of these shares are entitled to include their shares in the registration. Subject to certain exceptions contained in the investors' rights agreement, we and the underwriters may limit the number of shares included in the underwritten offering to the number of shares which we and the underwriters determine in our sole discretion will not jeopardize the success of the offering.

Indemnification

Our investors' rights agreement contains customary cross-indemnification provisions, under which we are obligated to indemnify holders of registrable securities in the event of material misstatements or omissions in the registration statement attributable to us, and they are obligated to indemnify us for material misstatements or omissions attributable to them.

Expiration of Registration Rights

The demand registration rights and short form registration rights granted under the investors' rights agreement will terminate on the earliest of (i) a deemed liquidation event, as defined in the investors' rights

agreement, (ii) the fifth anniversary of the completion of this offering and (iii) at such time after this offering when the holders' shares may be sold without restriction pursuant to Rule 144 within a three month period.

Anti-Takeover Effects of our Certificate of Incorporation and Bylaws and Delaware Law

Our certificate of incorporation and bylaws that will be in effect on the completion of this offering will include a number of provisions that may have the effect of delaying, deferring or preventing another party from acquiring control of us and encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include the items described below.

Board Composition and Filling Vacancies

Our certificate of incorporation provides for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year. Our certificate of incorporation also provides that directors may be removed only for cause and then only by the affirmative vote of the holders of at least two-thirds or more of the shares then entitled to vote at an election of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum. The classification of directors, together with the limitations on removal of directors and treatment of vacancies, has the effect of making it more difficult for stockholders to change the composition of our board of directors.

No Written Consent of Stockholders

Our certificate of incorporation will provide that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting. This limit may lengthen the amount of time required to take stockholder actions and would prevent the amendment of our bylaws or removal of directors by our stockholders without holding a meeting of stockholders.

Meetings of Stockholders

Our certificate of incorporation and bylaws will provide that only a majority of the members of our board of directors then in office may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our bylaws will limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Advance Notice Requirements

Our bylaws will establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting.

Amendment to Certificate of Incorporation and Bylaws

Any amendment of our certificate of incorporation must first be approved by a majority of our board of directors, and if required by law or our certificate of incorporation, must thereafter be approved by a majority of

the outstanding shares entitled to vote on the amendment and a majority of the outstanding shares of each class entitled to vote thereon as a class, except that the amendment of the provisions relating to stockholder action, board composition, and limitation of liability must be approved by not less than two-thirds of the outstanding shares entitled to vote on the amendment, and not less than two-thirds of the outstanding shares of each class entitled to vote thereon as a class. Our bylaws may be amended by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the bylaws; and may also be amended by the affirmative vote of a majority of the outstanding shares entitled to vote on the amendment, voting together as a single class, except that the amendment of the provisions relating to notice of stockholder business and nominations and special meetings must be approved by not less than two-thirds of the outstanding shares entitled to vote on the amendment, and not less than two-thirds of the outstanding shares of each class entitled to vote thereon as a class, or, if our board of directors recommends that the stockholders approve the amendment, by the affirmative vote of the majority of the outstanding shares entitled to vote on the amendment, in each case voting together as a single class.

Undesignated Preferred Stock

Our certificate of incorporation will provide for _____ authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

Choice of forum

Our bylaws provide that, unless we consent in writing to the selection of an alternative form, the Court of Chancery of the State of Delaware (or, if the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) will be the sole and exclusive forum for state law claims for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders; (iii) any action asserting a claim against us, or any current or former director, officer, or other employee or stockholder, arising out of or pursuant to any provision of the General Corporation Law of the State of Delaware or our certificate of incorporation or bylaws; and (iv) any action asserting a claim against us or any current or former director or officer or other employee governed by the internal affairs doctrine; provided, however, that this choice of forum provision does not apply to any causes of action arising under the Securities Act or the Exchange Act. Our bylaws further provide that, unless we consent in writing to an alternative forum, the United States District Court for the District of Massachusetts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Our bylaws also provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to this choice of forum provision. We recognize that the forum selection clause in our bylaws may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware or the Commonwealth of Massachusetts, as applicable. Additionally, the forum selection clause in our bylaws may limit our stockholders' ability to bring a claim in a forum that they 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 even though an action, if successful, might benefit our stockholders. The Court of Chancery of the State of Delaware or the United States

District Court for the District of Massachusetts may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

Section 203 of the Delaware General Corporation Law

Upon completion of this offering, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances, but not the outstanding voting stock owned by the interested stockholder; or
- at or after the time the stockholder became interested, the business combination was approved by our board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Listing

We intend to apply to list our common stock on _____ under the trading symbol “_____.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be _____.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our shares. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Based on the number of shares outstanding as of May 31, 2020, upon the completion of this offering and the concurrent private placements, shares of our common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options. Of the outstanding shares, all of the shares sold in this offering and the concurrent private placements will be freely tradable, except that any shares held by our affiliates, as that term is defined in Rule 144 under the Securities Act, may only be sold in compliance with the limitations described below, and shares of our common stock are restricted shares of common stock subject to time-based vesting terms. All remaining shares of common stock held by existing stockholders immediately prior to the completion of this offering, including those sold in the concurrent private placements will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, summarized below.

Rule 144

In general, a person who has beneficially owned restricted stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) we are subject to the Securities Exchange Act of 1934, as amended, or the Exchange Act, periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned restricted shares for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares then outstanding, which will equal approximately _____ shares immediately after this offering and the concurrent private placements, assuming no exercise of the underwriters' option to purchase additional shares, based on the number of shares outstanding as of May 31, 2020; or
- the average weekly trading volume of our common stock on _____ during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

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

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period

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requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares.

However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under the section titled “Underwriters” included elsewhere in this prospectus and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Lock-Up Agreements

We and each of our directors and executive officers and substantially all of our stockholders have signed a lock-up agreement that prevents them from selling any of our common stock or any securities convertible into or exercisable or exchangeable for common stock for a period of not less than 180 days from the date of this prospectus without the prior written consent of the representatives, subject to certain exceptions. See the section entitled “Underwriters” appearing elsewhere in this prospectus for more information.

Registration Rights

Beginning 180 days after the closing of this offering and the concurrent private placements, certain holders of our securities will be entitled to various rights with respect to registration of their shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. See the section entitled “Description of Capital Stock—Registration Rights” appearing elsewhere in this prospectus for more information.

Equity Incentive Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register our shares issued or reserved for issuance under our equity incentive plans. The first such registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing with the SEC. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following discussion is a summary of certain material U.S. federal income tax considerations applicable to non-U.S. holders (as defined below) with respect to their ownership and disposition of shares of our common stock issued pursuant to this offering. For purposes of this discussion, a non-U.S. holder means a beneficial owner of our common stock that is for U.S. federal income tax purposes:

- a non-resident alien individual;
- a corporation or other foreign organization taxable as a corporation for U.S. federal income tax purposes that is created or organized in or under laws other than the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is not subject to U.S. federal income tax on a net income basis; or
- a trust the income of which is not subject to U.S. federal income tax on a net income basis and that (1) has not made an election to be treated as a U.S. person under applicable U.S. Treasury Regulations and (2) either (i) is not subject to the primary supervision of a court within the United States or (ii) is not subject to the substantial control of one or more U.S. persons.

This discussion does not address the tax treatment of partnerships or other entities or arrangements that are treated as pass-through entities for U.S. federal income tax purposes or persons that hold their common stock through partnerships or other pass-through entities. A partner in a partnership or an investor in any other pass-through entity that will hold our common stock should consult his, her or its tax advisor regarding the tax consequences of acquiring, holding and disposing of our common stock through a partnership or other pass-through entity, as applicable.

This discussion is based on current provisions of 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 such 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 herein. We assume in this discussion that a non-U.S. holder holds shares of our common stock as a capital asset within the meaning of Section 1221 of the Code, which is generally property held for investment.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances, including, the alternative minimum tax, rules regarding qualified small business stock within the meaning of Section 1202 of the Code or the Medicare tax on net investment income. It also does not address any aspects of any U.S. federal tax other than the income tax (for example, the estate tax), or U.S. state, local or non-U.S. taxes. 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:

- insurance companies;
- tax-exempt or governmental organizations;
- financial institutions;
- brokers or dealers in securities;
- regulated investment companies;
- pension plans;

- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- “qualified foreign pension funds,” or entities wholly owned by a “qualified foreign pension fund”;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons that hold our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation; and
- U.S. expatriates.

This discussion is for general information only and is not tax advice. Accordingly, all prospective non-U.S. holders of our common stock should consult their tax advisors with respect to the U.S. federal, state, local and non-U.S. tax consequences of the purchase, ownership and disposition of our common stock.

Distributions on Our Common Stock

As described in the “Dividend Policy” section above, we do not intend to pay any cash dividends on our common stock to our stockholders in the foreseeable future. Distributions, if any, on our common stock 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. 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 such holder’s tax basis in the common stock. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in “Gain on Sale or Other Taxable Disposition of Our Common Stock.” Any such distributions will also be subject to the discussions below under the sections titled “Backup Withholding and Information Reporting” and “Withholding and Information Reporting Requirements—FATCA.”

Subject to the discussion in the following two paragraphs in this section, 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 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. However, such U.S. effectively connected income, net of specified deductions and credits, is taxed at the same graduated U.S. federal income tax rates applicable to United States persons (as defined in the Code). Any U.S. effectively connected income received by a non-U.S. holder that is a corporation may also, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or such lower rate as 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 a successor form) to the applicable withholding agent and satisfy applicable certification and other requirements. Non-U.S. holders are urged to consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty. 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 a U.S. tax return with the IRS.

Gain on Sale or Other Taxable Disposition of Our Common Stock

Subject to the discussions below under “Backup Withholding and Information Reporting” and “Withholding and Information Reporting Requirements—FATCA,” a non-U.S. holder generally will not be subject to any U.S. federal income tax on any gain realized upon such holder’s sale or other taxable disposition of shares of our common stock unless:

- the gain is effectively connected with the non-U.S. holder’s conduct of a U.S. trade or business and, if an applicable income tax treaty so provides, is attributable to a permanent establishment or a fixed-base maintained by such 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 graduated U.S. federal income tax rates applicable to United States persons (as defined in the Code) and, if the non-U.S. holder is a foreign corporation, the branch profits tax described above in “Distributions on Our Common Stock” also may apply;
- the non-U.S. holder is a nonresident alien individual who is present in the United States for a period or periods aggregating 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as 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 (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses; or
- we are, or have been, at any time during the five-year period preceding such sale or other taxable 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 holds no more than 5% of our outstanding common stock, directly or indirectly, actually or constructively, 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. Generally, a corporation is a U.S. real property holding corporation only if the fair market value of its U.S. real property interests 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, 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 rules described above.

Backup Withholding and Information Reporting

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 may have to comply with specific certification procedures to establish that the holder is not a United States person (as defined in the Code) in order to avoid backup withholding at the applicable rate with respect to dividends on our common stock. Dividends paid to non-U.S. holders subject to withholding of U.S. federal income tax, as described above in “Distributions on Our Common Stock,” generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally 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 foreign, 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 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 filed with the IRS in a timely manner.

Withholding and Information Reporting Requirements—FATCA

Provisions of the Code commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, generally impose a U.S. federal withholding tax at a rate of 30% on payments of dividends on our common stock paid to a foreign entity unless (i) if the foreign entity is a “foreign financial institution,” such foreign entity undertakes certain due diligence, reporting, withholding, and certification obligations, (ii) if the foreign entity is not a “foreign financial institution,” such foreign entity identifies certain of its U.S. investors, if any, or (iii) the foreign entity is otherwise exempt under FATCA. Such withholding may also apply to gross proceeds from the sale or other disposition of our common stock, although under proposed U.S. Treasury Regulations, no withholding would apply to such gross proceeds. The preamble to the proposed regulations specifies that taxpayers (including withholding agents) are generally permitted to rely on the proposed regulations pending finalization. Under certain circumstances, a non-U.S. holder may be eligible for refunds or credits of this withholding tax. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Non-U.S. holders should consult their tax advisors regarding the possible implications of this legislation 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.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, BofA Securities, Inc. and Cowen and Company LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

| <u>Name</u> | <u>Number of Shares</u> |
|----------------------------|-------------------------|
| Morgan Stanley & Co. LLC | |
| BofA Securities, Inc. | |
| Cowen and Company, LLC | |
| Guggenheim Securities, LLC | |
| Total: | |

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of \$ _____ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to _____ additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase up to an additional _____ shares of common stock.

| | <u>Per Share</u> | <u>Total</u> | |
|---|------------------|--------------------|----------------------|
| | | <u>No Exercise</u> | <u>Full Exercise</u> |
| Public offering price | \$ | \$ | \$ |
| Underwriting discounts and commissions to be paid by us | \$ | \$ | \$ |
| Proceeds, before expenses, to us | \$ | \$ | \$ |

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately \$ _____. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority of up to \$ _____.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We intend to apply to list our common stock on the _____ under the trading symbol “_____”.

We and all directors and officers and the holders of all of our outstanding stock and stock options have agreed that, without the prior written consent of Morgan Stanley & Co. LLC, BofA Securities, Inc. and Cowen and Company, LLC on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus (the “restricted period”):

- 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, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC, BofA Securities, Inc. and Cowen and Company, LLC, on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to:

- the sale of shares to the underwriters;
- transactions by any person other than us relating to shares of common stock or other securities acquired in this offering or in open market transactions after the completion of the offering of the shares (other than for officers and directors as noted below), provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of common stock or other securities acquired in this offering or in such open market transactions;
- transfers of shares of common stock or any security convertible into or exercisable or exchangeable for common stock as a bona fide gift or to a charitable organization or educational institution in a transfer not involving a disposition for value;
- transfers or dispositions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock to any member of the immediate family of such person or any trust for the direct or indirect benefit of such person or the immediate family of such person in a transaction not involving a disposition for value;
- distributions of shares of common stock or any security convertible into common stock to general or limited partners, members, beneficiaries or other equityholders of such person, its direct or indirect affiliates (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) or to an investment fund or other entity that controls or manages, or is under common control with, such person;
- transfers or dispositions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock (i) by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or a member of the immediate family of such person upon the death of such person or (ii) by operation of law pursuant to orders of a court or regulatory agency, in connection with a negotiated divorce settlement or pursuant to a qualified domestic relations order;

- transfers or dispositions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock to us pursuant to any contractual arrangement in effect on the date such person entered into the lock-up agreement and disclosed to the underwriters in writing that provides for the repurchase of such person's common stock or other securities by us or in connection with the termination of such person's employment with or service to our company; *provided* that (i) the repurchase price for any such shares or securities shall not exceed the original purchase price (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization) paid, and (ii) any filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of common shares shall indicate by footnote disclosure or otherwise the nature of the transfer or disposition);
- transfers or dispositions of shares of common stock or other securities to us in connection with the conversion of any convertible security into, or the exercise of any option or warrant for, shares of common stock (including by way of "net" or "cashless" exercise solely to cover withholding tax obligations in connection with such exercise or transfer to us for the payment of taxes as a result of such exercise); *provided* that (i) such convertible security, option or warrant is described in this prospectus and is outstanding on the date thereof, (ii) any such shares of common stock received by such person shall be subject to the terms of such lock-up agreement and (iii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the restricted period, other than a filing on a Form 4 that reports such disposition under the transaction code "F", in which case the filing or announcement shall clearly indicate in the footnotes thereto or comments section thereof that the filing relates to the exercise of a stock option or warrant, as the case may be, that no shares of common stock were sold by the reporting person and that the shares of common stock received upon exercise of the stock option or warrant are subject to a lock-up agreement with the underwriters of this offering);
- the establishment of a trading plan on behalf of a shareholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required or voluntarily made by or on behalf of such person or the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period; or
- transfers of shares of common stock (or any securities convertible into or exercisable or exchangeable for common stock) pursuant to a bona fide third-party tender offer for shares of our capital stock made to all holders of our securities, merger, consolidation or other similar transaction approved by our board of directors and occurring after the closing of this offering, the result of which is that any person (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, other than us, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of more than 75% of the total voting power of the voting stock of our company; provided that in the event that such change of control transaction is not completed, the shares of common stock (or any security convertible into or exercisable or exchangeable for common stock) owned by the undersigned shall remain subject to the restrictions contained in this agreement and title to the undersigned's shares shall remain with the undersigned;

provided that in the case of any transaction or distribution pursuant to the third, fourth, fifth or sixth bullets above, (i) each transferee, donee or distributee shall sign and deliver a lock-up agreement substantially in the form of signed by such person and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made during the restricted period (other than, with respect to the sixth bullet only, any Form 4 or Form 5 required to be filed under the Exchange Act if the undersigned is subject to Section 16 reporting with respect to the Company under the Exchange Act, in which case any such filing will indicate by footnote disclosure or otherwise the nature of the transfer or disposition).

Morgan Stanley & Co. LLC, BofA Securities, Inc. and Cowen and Company, LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our

sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area and the United Kingdom (each, a “Relevant State”), no securities have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any of our representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

United Kingdom

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “FIEL”) has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock.

Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the

laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors (“QII”)

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “QII only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred to QIIs.

For Non-QII Investors

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

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, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority 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.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“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 the 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.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission (“ASIC”), in relation to the offering. This

prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the “Exempt Investors”) who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the shares were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i) (B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law; or
- (d) as specified in Section 276(7) of the SFA.

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 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) 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.

Israel

In the State of Israel this prospectus shall not be regarded as an offer to the public to purchase shares of our common stock under the Israeli Securities Law, 5728-1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728-1968, including, inter alia, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions (the Addressed Investors); or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728-1968, subject to certain conditions (the Qualified Investors). The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. The company has not and will not take any action that would require it to publish a prospectus in

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accordance with and subject to the Israeli Securities Law, 5728-1968. We have not and will not distribute this prospectus or make, distribute or direct an offer to subscribe for our common stock to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728-1968. In particular, we may request, as a condition to be offered common stock, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728-1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728-1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728-1968 and the regulations promulgated thereunder in connection with the offer to be issued common stock; (iv) that the shares of our common stock that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728-1968: (a) for its own account; (b) for investment purposes only; and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728-1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor's name, address and passport number or Israeli identification number.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Goodwin Procter LLP, Boston, Massachusetts. Certain legal matters relating to this offering will be passed upon for the underwriters by Wilmer Cutler Pickering Hale and Dorr LLP, New York, New York.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2019 and 2018, and for each of the two years in the period ended December 31, 2019, as set forth in their report. We've included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 (File Number 333-) under the Securities Act with respect to the common stock we are offering by this prospectus. This prospectus does not contain all of the information included in the registration statement. For further information pertaining to us and our common stock, you should refer to the registration statement and to its exhibits. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document.

Upon the completion of the offering, we will be subject to the informational requirements of the Exchange Act and will file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read our SEC filings, including the registration statement, at the SEC's website at www.sec.gov. We also maintain a website at www.kymeratx.com. The information contained in or accessible from our website is not incorporated into this prospectus, and you should not consider it part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference. Upon completion of the offering, you may access, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC.

KYMERA THERAPEUTICS, INC.

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INDEX TO CONSOLIDATED STATEMENTS

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Kymera Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Kymera Therapeutics, Inc. (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive loss, preferred units, convertible preferred stock, members' deficit and stockholders' deficit and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Adoption of ASU No. 2016-02

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for leases in 2019 due to the adoption of Accounting Standards Update (ASU) No. 2016-02 *Leases (Topic 842)*, and the related amendments.

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 and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 2018.
Boston, Massachusetts
June 22, 2020

KYMERA THERAPEUTICS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except for share and per share amounts)

| | December 31, | |
|--|------------------|-------------------|
| | 2018 | 2019 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 41,260 | \$ 76,015 |
| Marketable securities (Note 4) | — | 15,942 |
| Other receivables—due from related party | 148 | — |
| Prepaid expenses and other current assets | 382 | 888 |
| Total current assets | \$ 41,790 | \$ 92,845 |
| Property and equipment, net (Note 6) | 2,242 | 3,794 |
| Right-of-use assets, operating leases | — | 18,289 |
| Other assets | 199 | 1,774 |
| Total assets | \$ 44,231 | \$ 116,702 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,056 | \$ 3,276 |
| Accrued expenses (Note 8) | 2,319 | 4,568 |
| Deferred revenue, short term—due to related party | — | 23,349 |
| Operating lease liabilities, current portion | — | 2,696 |
| Finance and capital lease liabilities, current portion | 302 | 681 |
| Other current liabilities | 10 | — |
| Total current liabilities | \$ 4,687 | \$ 34,570 |
| Non-current liabilities | | |
| Deferred revenue, long term—due to related party | — | 29,642 |
| Operating lease liabilities, net of current portion | — | 16,651 |
| Finance and capital lease liabilities, net of current portion | 393 | 1,165 |
| Other non-current liabilities | 158 | — |
| Total liabilities | \$ 5,238 | \$ 82,028 |
| Commitments and contingencies (Note 9) | | |
| Series Seed Convertible Preferred Stock, \$0.0001 par value; 3,000,000 shares authorized, issued and outstanding at December 31, 2018 and 2019 (liquidation preference of \$3,000 at December 31, 2018 and 2019) | \$ 5,900 | \$ 5,900 |
| Series A Convertible Preferred Stock, \$0.0001 par value; 14,886,305 shares authorized and issued at December 31, 2018 and 2019 and 14,498,547 and 14,720,126 shares outstanding at December 31, 2018 and 2019, respectively (liquidation preference of \$28,997 and \$29,440 at December 31, 2018 and 2019, respectively) | 28,794 | 29,237 |
| Series B Convertible Preferred Stock, \$0.0001 par value; 16,009,848 shares authorized at December 31, 2018 and 2019, and 9,605,905 and 14,827,580 shares issued and outstanding at December 31, 2018 and 2019, respectively (liquidation preference of \$39,000 and \$60,200 at December 31, 2018 and 2019, respectively) | 38,735 | 59,918 |
| Series B-1 Convertible Preferred Stock, \$0.0001 par value; zero and 3,059,695 shares authorized, issued and outstanding at December 31, 2018 and 2019, respectively (liquidation preference of \$0 and \$20,000 at December 31, 2018 and 2019, respectively) | — | 14,025 |
| Stockholders' deficit: | | |
| Common stock, \$0.0001 par value; 42,000,000 and 45,000,000 shares authorized at December 31, 2018 and 2019, respectively, 3,952,943 and 3,523,142 shares issued and 2,359,180 and 3,077,417 shares outstanding at December 31, 2018 and 2019, respectively | — | — |
| Additional paid-in capital | 774 | 2,044 |
| Accumulated deficit | (35,210) | (76,456) |
| Accumulated other comprehensive income | — | 6 |
| Total stockholders' deficit | (34,436) | (74,406) |
| Total liabilities, convertible preferred stock and stockholders' deficit | \$ 44,231 | \$ 116,702 |

The accompanying notes are an integral part of these consolidated financial statements.

KYMERA THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands, except for share and per share amounts)

| | Year ended December 31, | |
|---|-------------------------|-------------|
| | 2018 | 2019 |
| Statement of Operations Data: | | |
| Collaboration Revenue—from related party | \$ — | \$ 2,934 |
| Operating expenses: | | |
| Research and development | \$ 17,679 | \$ 37,158 |
| General and administrative | 3,772 | 7,981 |
| Total operating expenses | 21,451 | 45,139 |
| Loss from operations | (21,451) | (42,205) |
| Other income (expense): | | |
| Interest Income | — | 1,005 |
| Interest Expense | (16) | (46) |
| Total other income (expense): | (16) | 959 |
| Net loss | \$ (21,467) | \$ (41,246) |
| Other comprehensive gain: | | |
| Unrealized gain on marketable securities | — | 6 |
| Total comprehensive loss | \$ (21,467) | \$ (41,240) |
| Net loss per share attributable to common stockholders, basic and diluted | \$ (11.45) | \$ (15.23) |
| Weighted average common stocks outstanding, basic and diluted | 1,875,498 | 2,708,937 |

The accompanying notes are an integral part of these consolidated financial statements.

KYMERA THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF PREFERRED UNITS, CONVERTIBLE PREFERRED STOCK, MEMBERS' DEFICIT AND STOCKHOLDERS' DEFICIT

(In thousands, except for share amounts)

| | Series Seed-1 Preferred Units | | Series Seed-2 Preferred Units | | Series A Preferred Units | | Series Seed Convertible Preferred Stock | | Series A Convertible Preferred Stock | | Series B Convertible Preferred Stock | | Series B-1 Convertible Preferred Stock | | Common Units | | Common Stock | | Additional Paid in Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Consolidated Member's Stockholders' Deficit |
|---|-------------------------------|----------|-------------------------------|----------|--------------------------|-----------|---|----------|--------------------------------------|-----------|--------------------------------------|-----------|--|-------|--------------|-------|--------------|-------|----------------------------|---------------------|--|---|
| | Units | Value | Units | Value | Units | Value | Shares | Value | Shares | Value | Shares | Value | Shares | Value | Units | Value | Shares | Value | | | | |
| Balance at December 31, 2017 | 3,000,000 | \$ 5,900 | 1,000,000 | \$ 2,000 | 6,026,970 | \$ 11,859 | — | \$ — | — | \$ — | — | \$ — | — | \$ — | 1,781,250 | \$ — | — | \$ — | 126 | \$ (13,743) | \$ — | \$ — |
| Issuance of Series A Preferred Units, net of issuance costs of \$8 | — | — | — | — | 7,250,000 | 14,492 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vesting of Series A Preferred Units in connection with collaboration agreement (Note 5) | — | — | — | — | 221,577 | 443 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vesting Common Units | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 93,750 | — | — | — | — | — | — | — |
| Effect of Reorganization (Note 1) | (3,000,000) | (5,900) | (1,000,000) | (2,000) | (13,498,547) | (26,794) | 3,000,000 | 5,900 | 14,498,547 | 28,794 | — | — | — | — | (1,875,000) | — | 1,875,000 | — | — | — | — | — |
| Issuance of Series B Convertible Preferred Shares, net of issuance costs of \$265 | — | — | — | — | — | — | — | — | — | — | 9,605,905 | 38,735 | — | — | — | — | — | — | — | — | — | — |
| Vesting Restricted Stock | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 484,180 | — | — | — | — | — |
| Equity-based compensation expense | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 648 | — | — | — |
| Net Loss | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (21,467) | — | — |
| Balance at December 31, 2018 | — | \$ — | — | \$ — | — | \$ — | 3,000,000 | \$ 5,900 | 14,498,547 | \$ 28,794 | 9,605,905 | \$ 38,735 | — | \$ — | — | \$ — | 2,359,180 | \$ — | 774 | \$ (35,210) | \$ — | \$ — |

KYMERA THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF PREFERRED UNITS, CONVERTIBLE PREFERRED STOCK, MEMBERS' DEFICIT AND STOCKHOLDERS' DEFICIT (continued)

(In thousands, except for share amounts)

| | Series Seed-1 Preferred Units | | Series Seed-2 Preferred Units | | Series A Preferred Units | | Series Seed Convertible Preferred Stock | | Series A Convertible Preferred Stock | | Series B Convertible Preferred Stock | | Series B-1 Convertible Preferred Stock | | Common Units | | Common Stock | Additional Paid in Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Consolidated Members' and Stockholders' Deficit | |
|---|-------------------------------|-------|-------------------------------|-------|--------------------------|-------|---|---------|--------------------------------------|----------|--------------------------------------|----------|--|----------|--------------|-------|--------------|----------------------------|---------------------|--|---|-------------|
| | Units | Value | Units | Value | Units | Value | Shares | Value | Shares | Value | Shares | Value | Shares | Value | Units | Value | | | | | | Shares |
| Vesting of Series A Preferred Stock in connection with collaboration arrangement (Note 5) | — | — | — | — | — | — | — | — | 221,579 | 443 | — | — | — | — | — | — | — | — | — | — | — | |
| Issuance of Series B Preferred Units, net of issuance costs of \$17 | — | — | — | — | — | — | — | — | — | — | 5,221,675 | 21,183 | — | — | — | — | — | — | — | — | — | |
| Issuance of Series B-1 Convertible Preferred Stock, net of issuance costs of \$49 | — | — | — | — | — | — | — | — | — | — | — | — | 3,059,695 | 14,025 | — | — | — | — | — | — | — | |
| Exercise of Stock Options | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 152,963 | 74 | — | — | 74 | |
| Vesting Restricted Stock | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 565,274 | — | — | — | — | |
| Stock-based compensation expense | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 1,196 | — | — | 1,196 | |
| Unrealized gain on marketable securities | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 6 | 6 | |
| Net Loss | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (41,246) | — | (41,246) | |
| Balance at December 31, 2019 | — | \$ — | — | \$ — | — | \$ — | 3,000,000 | \$5,900 | 14,720,126 | \$29,237 | 14,827,580 | \$59,918 | 3,059,695 | \$14,025 | — | \$ — | 3,077,417 | \$ — | 2,044 | \$ (76,456) | \$ 6 | \$ (74,406) |

The accompanying notes are an integral part of these consolidated financial statements

KYMERA THERAPEUTICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

| | Year Ended December 31, | |
|---|--------------------------------|--------------------|
| | 2018 | 2019 |
| Operating activities | | |
| Net loss | \$ (21,467) | \$ (41,246) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Equity-based compensation | 648 | 1,196 |
| Depreciation and amortization | 205 | 825 |
| Non-cash research and development expense | 443 | 443 |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other current assets | (298) | (564) |
| Other receivables—due from related parties | (148) | 148 |
| Accounts payable | 824 | 904 |
| Accrued expenses and other current liabilities | 2,032 | 2,248 |
| Deferred revenue—due to related parties | — | 52,991 |
| Other non-current assets | (47) | — |
| Operating lease right of use assets | — | 1,350 |
| Operating lease liabilities | — | (383) |
| Other non-current liabilities | (55) | (7) |
| Net cash used in operating activities | <u>\$ (17,863)</u> | <u>\$ 17,905</u> |
| Investing activities | | |
| Purchase of property and equipment, net | (1,356) | (532) |
| Purchase of marketable securities | — | (15,954) |
| Net cash used in investing activities | <u>\$ (1,356)</u> | <u>\$ (16,486)</u> |
| Financing activities | | |
| Proceeds from the issuance of Series A Preferred Units, net of issuance costs | 14,492 | — |
| Proceeds from the issuance of Series B Convertible Preferred Stock, net of issuance costs | 38,735 | 21,183 |
| Proceeds from the issuance of Series B-1 Convertible Preferred Stock, net of issuance costs | — | 14,025 |
| Proceeds from stock option exercises | — | 74 |
| Payments on financing leases | (295) | (371) |
| Net cash provided by financing activities | <u>\$ 52,932</u> | <u>\$ 34,911</u> |
| Net increase in cash, cash equivalents and restricted cash | 33,713 | 36,330 |
| Cash, cash equivalents and restricted cash at beginning of period | 7,746 | 41,459 |
| Cash, cash equivalents and restricted cash at end of period | <u>\$ 41,459</u> | <u>\$ 77,789</u> |
| Supplemental disclosure of cash flow activities | | |
| Cash paid for interest | \$ 15 | \$ 46 |
| Supplemental disclosure of noncash financing activities | | |
| Exchange of Preferred Units for Convertible Preferred Stock, net of issuance costs | \$ 34,694 | \$ — |
| Supplemental disclosure of noncash investing activities | | |
| Purchases of property and equipment through finance and capital lease liabilities | \$ 737 | \$ 1,642 |
| Property and equipment purchases included in accounts payable and accrued expenses | \$ 147 | \$ 315 |
| Supplemental disclosure of noncash operating activities | | |
| Right-of-use assets obtained in exchange for operating lease liabilities | \$ — | \$ 16,522 |
| Tenant improvement receivable included in other assets | \$ — | \$ 287 |

The following table provides a reconciliation of the cash, cash equivalents, and restricted cash balances as of each of the periods shown above:

| | Year Ended December 31, | |
|---|--------------------------------|------------------|
| | 2018 | 2019 |
| Cash and cash equivalents | \$ 41,260 | \$ 76,015 |
| Restricted cash | 199 | 1,774 |
| Total cash, cash equivalents, and restricted cash | <u>\$ 41,459</u> | <u>\$ 77,789</u> |

The accompanying notes are an integral part of these consolidated financial statements.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Nature of Business

Kymera Therapeutics, Inc., together with its subsidiaries, Kymera Orion LLC and Kymera Securities Corporation, is referred to on a consolidated basis as the “Company”. The Company is a biopharmaceutical company focused on discovering and developing small molecule therapeutics that selectively degrade disease-causing proteins by harnessing the body’s own natural cellular process, a method known as targeted protein degradation. The Company has devoted its efforts principally to research and development since formation. The Company has not yet completed product development, filed for or obtained regulatory approvals for any products, nor verified the market acceptance and demand for such products. As a result, the Company is subject to a number of risks common to emerging companies in the biotech industry. Principal among these risks are the uncertainties of the product discovery and development process, dependence on key individuals, development of the same or similar technological innovations by the Company’s competitors, protection of proprietary technology, compliance with government regulations and approval requirements, the Company’s ability to access capital and uncertainty of market acceptance of products.

The Company has historical net losses and anticipates that it will continue to incur losses for the foreseeable future and had an accumulated deficit of \$76.5 million as of December 31, 2019. The Company has funded these losses principally through issuance of convertible notes, the sale of common and convertible preferred stock and from cash proceeds received in connection with the Company’s collaboration with Vertex Pharmaceuticals Incorporated (“Vertex”) (see Note 5). The Company expects to continue to incur operating losses and negative cash outflows until such time as it generates a level of revenue that is sufficient to support its cost structure.

As of December 31, 2019, the Company had cash, cash equivalents and marketable securities of \$92.0 million. The Company believes these cash, cash equivalents and marketable securities together with the additional \$4.8 million and \$88.2 million of net cash proceeds received in connection with the Company’s issuances of a second tranche of Series B Preferred Stock and Series C Preferred Stock in January and March 2020, respectively (see Note 16) will be sufficient to fund its operations and capital expenditure requirements through at least twelve months from the issuance of these consolidated financial statements.

The Company expects to finance the future research and development costs of its product portfolio with its existing cash, cash equivalents and marketable securities, or through strategic financing opportunities that could include, but are not limited to an initial public offering (“IPO”) of its common stock, future offerings of its equity, collaboration agreements, or the incurrence of debt. However, there is no guarantee that any of these strategic or financing opportunities will be executed or realized on favorable terms, if at all, and some could be dilutive to existing stockholders. If the Company fails to obtain additional future capital, it may be unable to complete its planned preclinical studies and clinical trials.

Reorganization

On November 1, 2018, the Company completed a series of transactions (the “Reorganization”) pursuant to which Kymera Therapeutics LLC (“Kymera LLC”) merged into Kymera Therapeutics, Inc. (“the Company”), which is incorporated under the laws of the state of Delaware, and is headquartered in Cambridge, Massachusetts. In connection with the Reorganization, (i) the existing unitholders of Kymera LLC exchanged their units of Kymera LLC for the same number and classes of common stock and convertible preferred stock of the Company on a one-to-one basis, with rights identical to the exchanged units of Kymera LLC; and (ii) the holders of all outstanding common incentive units of Kymera LLC exchanged their units for a combination of restricted stock and options to purchase common stock of the Company (see Note 12). These exchanges resulted in the common incentive unit holders being given either one-for-one restricted stock for their incentive units or a split of approximately sixty to forty percent of restricted stock and options to purchase common stock based on the threshold value amount of the incentive units held by such holders.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Upon completion of the Reorganization, the historical consolidated financial statements of Kymera LLC became the historical consolidated financial statements of Kymera Therapeutics, Inc. There was no impact on the consolidated financial statements as a result of the Reorganization, except for the reclassifications of equity presented in the consolidated statements of convertible preferred units and stock and stockholders' deficit.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

2. Summary of Significant Accounting Policies

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described in this note, and elsewhere in the accompanying consolidated financial statements and notes.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries Kymera Orion LLC and Kymera Securities Corporation. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of expenses during the reporting period. Management's estimates and judgments are derived and continually evaluated based on available information, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Because the use of estimates is inherent in the financial reporting process, actual results could differ from those estimates. In recording transactions and balances resulting from business operations, management makes estimates based on the best information available at the time the estimate is made. Significant estimates relied upon in preparing these financial statements include the accrual for research and development expenses, equity-based compensation expense, and the valuation of equity. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior estimates.

Segment and Geographic Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is the Chief Executive Officer. The Company views its operations and manages its business in one operating segment.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Cash and Cash Equivalents

Cash equivalents are highly liquid investments that are readily convertible into cash with original maturities of three months or less when purchased. These assets include investments in money market funds that invest in U.S. Treasury obligations. The Company maintains its bank accounts at major financial institutions.

Restricted Cash

Restricted cash represents the cash held to secure letters of credit associated with the Company's facility leases.

Marketable Securities

The Company classifies marketable securities with a remaining maturity of greater than three months when purchased as available-for-sale. The Company classifies investments available to fund current operations as current assets on its balance sheets. Marketable securities with a remaining maturity date greater than one year are classified as non-current. Available-for-sale securities are maintained by investment managers and consist of U.S. Treasury securities. Available-for-sale securities are carried at fair value with the unrealized gains and losses included in other comprehensive income (loss) as a component of stockholders' equity until realized. Any premium or discount arising at purchase is amortized and/or accreted to interest income and/or expense over the life of the instrument. Realized gains and losses are determined using the specific identification method and are included in other (expense) income, net.

If any adjustment to fair value reflects a decline in value of the investment, the Company considers all available evidence to evaluate the extent to which the decline is "other-than-temporary" and, if so, marks the investment to market through a charge to the Company's statement of operations and comprehensive loss.

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 to be 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 carrying values of the Company's cash equivalents, prepaid expenses, accounts payable, and certain accruals approximate their fair value due to their short-term nature.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Leases

The Company adopted ASC Topic 842, *Leases* (“ASC 842”) on January 1, 2019. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present. Leases that are economically similar to the purchase of assets are generally classified as finance leases; otherwise the leases are classified as operating leases. The Company has elected not to recognize leases with an original term of one year or less on the balance sheet. Options to renew a lease are not included in the Company’s assessment unless there is reasonable certainty that the Company will renew. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets, lease liabilities and, if applicable, long-term lease liabilities. Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected remaining lease term. However, certain adjustments to the right-of-use asset may be required for items such as incentives received. The Company has elected as an accounting policy to combine lease and non-lease components, such as common area maintenance, for all classes of underlying assets. The interest rate implicit in lease contracts has not historically been readily determinable. As a result, the Company utilizes its incremental borrowing rates, which are the rates incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. To estimate its incremental borrowing rate, a credit rating applicable to the Company is estimated using synthetic credit rating analysis since the Company does not currently have a rating agency-based credit rating.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Major additions and betterments are capitalized; maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to operations as incurred. Depreciation expense is recorded using the straight-line method over the estimated useful life of the related asset as follows:

| | <u>Estimated Useful Life (in years)</u> |
|-------------------------|--|
| Lab equipment | 5 years |
| Furnitures and fixtures | 5 years |
| Office equipment | 5 years |
| Computer equipment | 3 years |
| Leasehold improvements | Shorter of life of lease or remaining lease term |

Upon retirement or sale, the cost and related accumulated depreciation of assets disposed of are removed from the accounts and any resulting gain or loss is included in loss from operations.

Construction-in-progress is stated at cost, which includes direct costs attributable to the setup or construction of the related asset. Depreciation expense is not recorded on construction-in-progress until the relevant assets are completed and put into use.

Impairment of Long-Lived Assets

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

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset to its carrying value. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of an asset are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset over its fair value, determined based on discounted cash flows. To date, the Company did not record any impairment losses on long-lived assets during the years ended December 31, 2018 and 2019.

Convertible Preferred Stock

The Company has classified convertible preferred stock as temporary equity in the accompanying consolidated balance sheet due to terms that allow for redemption of the shares in cash upon certain change in control events that are outside of the Company's control, including the sale or transfer of the Company as holders of the convertible preferred stock which could trigger redemption of the shares. The Company did not accrete the value of the convertible preferred stock to the redemption values since a liquidation event was not considered probable as of December 31, 2019. Subsequent adjustments of the carrying values to the ultimate redemption values will be made only when it becomes probable that such liquidation events will occur.

Research and Development Costs

Research and development costs consist primarily of costs incurred in connection with the discovery and development of targeted protein degradation therapeutics, including those in the Company's most advanced development programs, IRAK4, IRAKIMiD and STAT3. These research efforts and costs, which also support the development of, and enhancements to, the Company's Pegasus targeted protein degradation platform, include external research costs, personnel costs, supplies, license fees and facility related expenses. The Company expenses research and development costs as incurred.

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 recoverability of the expenditure. Amounts incurred are classified as general and administrative expenses.

Financing Costs

Costs incurred in connection with the issuance of equity units and shares are recorded as a reduction of proceeds to the equity carrying value. The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process financings as deferred offering costs until such financings are consummated. After consummation of the financing, these costs are recorded as a reduction of the proceeds received from the financing. If a planned financing is abandoned, the deferred offering costs are expensed immediately as a charge to operating expenses in the consolidated statement of operations and comprehensive loss. There were no deferred offering costs on the Company's consolidated balance sheets at December 31, 2018 and 2019.

Revenue Recognition

The Company adopted ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606") on January 1, 2017. The adoption had no impact as the Company had no revenue generating arrangements until the year ended

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019. 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. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

As part of the accounting for these arrangements, the Company must use significant judgment to determine: a) the number of performance obligations based on the determination under step (ii) above and whether those performance obligations are distinct from other performance obligations in the contract; b) the transaction price under step (iii) above; and c) the standalone selling price for each performance obligation identified in the contract for the allocation of transaction price in step (iv) above. The Company uses judgment to determine whether milestones or other variable consideration, except for royalties, should be included in the transaction price as described further below. The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which the Company recognizes revenue as or when the performance obligations under the contract are satisfied. In determining the stand-alone selling price of a license to the Company's proprietary technology or a material right provided by a customer option, the Company considers market conditions as well as entity-specific factors, including those factors contemplated in negotiating the agreements as well as internally developed estimates that include assumptions related to the market opportunity, estimated development costs, probability of success and the time needed to commercialize a product candidate pursuant to the license. In validating its estimated stand-alone selling prices, the Company evaluates whether changes in the key assumptions used to determine its estimated stand-alone selling prices will have a significant effect on the allocation of arrangement consideration between performance obligations.

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.

Performance obligations are promised goods or services in a contract to transfer a distinct good or service to the customer. Promised goods or services are considered distinct when: (i) the customer can benefit from the good or service on its own or together with other readily available resources and (ii) the promised good or service is separately identifiable from other promises in the contract. In assessing whether promised goods or services are distinct, the Company considers factors such as the stage of development of the underlying intellectual property, the capabilities of the customer to develop the intellectual property on their own and whether the required expertise is readily available.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 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 expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current portion of deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion. Amounts are recorded as accounts receivable when the Company's right to consideration is unconditional. Amounts recognized as revenue, but not yet received or invoiced are generally recognized as contract assets.

Exclusive Licenses—If the license granted in the arrangement is determined to be distinct from the other promises or performance obligations identified in the arrangement, which generally include research and development services, the Company recognizes revenue from non-refundable, upfront 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. In assessing whether a license is distinct from the other promises, the Company considers relevant facts and circumstances of each arrangement, including the research and development capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Company considers whether the collaboration partner can benefit from the license for its intended purpose without the receipt of the remaining promise, whether the value of the license is dependent on the unsatisfied promise, whether there are other vendors that could provide the remaining promise, and whether it is separately identifiable from the remaining promise. For licenses that are combined with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition. The measure of progress, and thereby periods over which revenue should be recognized, are subject to estimates by management and may change over the course of the arrangement.

Research and Development Services—The promises under the Company's collaboration and license agreements generally include research and development services to be performed by the Company on behalf of the collaboration partner. For performance obligations that include research and development services, the Company generally recognizes revenue allocated to such performance obligations based on an appropriate measure of progress. The Company utilizes judgment to determine the appropriate method of measuring progress for purposes of recognizing revenue, which is generally an input measure, such as costs incurred. The Company evaluates the measure of progress each reporting period as described under Exclusive Licenses above. Reimbursements from the partner that are the result of a collaborative relationship with the partner, instead of a customer relationship, such as co-development activities, are generally recorded as a reduction to research and development expense.

Customer Options—The Company's arrangements may provide a collaborator with the right to certain optional purchases, such as the right to license a target either at the inception of the arrangement or within a pre-defined option period. Under these agreements, fees may be due to the Company at the inception of the arrangement as an upfront fee or payment or upon the exercise of an option to acquire a license. If an arrangement is determined to contain customer options that allow the customer to acquire additional goods or services, the goods and services underlying the customer options are not considered to be performance obligations at the outset of the arrangement, as they are contingent upon option exercise. The Company evaluates

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

the customer options for material rights, or options to acquire additional goods or services for free or at a discount. If the customer options are determined to represent a material right, the material right is recognized as a separate performance obligation at the inception of the arrangement. The Company allocates the transaction price to material rights based on the relative stand-alone selling price, which is determined based on the identified discount, and the probability that the customer will exercise the option. Amounts allocated to a material right are not recognized as revenue until, at the earliest, the option is exercised or expires.

Milestone Payments—At the inception of each arrangement that includes milestone payments based on certain events, the Company evaluates whether the milestones are considered probable of being achieved 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 control of the Company or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The Company evaluates factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether it is probable that a significant revenue reversal would not occur. At the end of each subsequent reporting period, the Company reevaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment. If a milestone or other variable consideration relates specifically to the Company's efforts to satisfy a single performance obligation or to a specific outcome from satisfying the performance obligation, the Company generally allocates the milestone amount entirely to that performance obligation once it is probable that a significant revenue reversal would not occur.

Royalties—For arrangements that include sales-based royalties, including milestone payments based on a level of sales, and the license is deemed to be the predominant item to which the royalties relate, 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). To date, the Company has not recognized any royalty revenue resulting from any of its licensing arrangements.

Collaboration revenue—The Company analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808") to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of Topic 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently, generally by analogy to Topic 606. For those elements of the arrangement that are accounted for pursuant to Topic 606, the Company applies the five-step model described above.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Costs associated with License and Collaborative Arrangements

Costs associated with licenses of technology acquired as part of collaborative arrangements are expensed as incurred and are generally included in research and development expense in the consolidated statements of operations.

Profits Interests

Employees, directors, and non-employees were granted profits interests prior to the Reorganization in November 2018. Profits interests were common units subject to vesting and were classified as equity awards for accounting purposes. Profits interests are considered issued and outstanding when granted. Equity-based compensation expense is recognized based on the fair value on the grant date and is recognized over the period of vesting. The Company does not have an obligation to repurchase any vested or nonvested profits interests upon termination of the relationship with a holder of profits interests.

The Company determined that incentive units issued to employees, directors, and non-employees were analogous to share based payments, as such, the Company measures and recognizes the related compensation expense in a manner consistent with its accounting policy for its other equity-based awards described below.

In connection with the Reorganization, the holders of all outstanding incentive units exchanged their units for a combination of restricted stock and options to purchase common stock of the Company (see Note 12).

Stock-Based Compensation

The Company accounts for all stock-based awards granted to employees, directors, and nonemployees based on their fair value on the date of the grant and recognize compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. Stock-based payments include stock options and grants of common stock, including common stock subject to vesting. The measurement date for stock awards is the date of grant, and stock-based compensation costs are recognized as expense over the requisite service period, which is the vesting period, on a straight-line basis. The Company has issued stock options and restricted stock with performance-based vesting conditions and records the expense for these awards if the Company concludes that it is probable that the performance condition will be achieved. Stock-based compensation is classified in the accompanying consolidated statements of operations and comprehensive loss based on the function to which the related services are provided. The Company recognizes stock-based compensation expense for the portion of awards that have vested. Forfeitures are accounted for as they occur.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes options-pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the option, the risk-free interest rate for a period that approximates the expected term of the option, and the Company's expected dividend yield. As there is no active market for the Company's common stock, the Company estimates the fair value of common stock on the date of grant based on the then current facts and circumstances. 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 publicly traded set of guideline companies 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. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The expected term of stock options granted to non-employees 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

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 fair value of each restricted common stock award is estimated on the date of grant based on the fair value of the Company's common stock on that same date.

Common and Preferred Stock Valuation

The Company utilizes significant estimates and assumptions in determining the fair value of its equity and equity-based awards. The Company utilized various valuation methodologies in accordance with the framework of the 2013 American Institute of Certified Public Accountants Technical Practice Aid, Valuation of Privately-Held Company Equity Securities Issued as Compensation, to estimate the fair value of its equity awards.

The Company used a hybrid of the probability-weighted expected returns method ("PWERM"), and the option pricing method ("OPM") when allocating enterprise value to classes of securities.

Under the probability-weighted expected return method, or PWERM, the value of an enterprise, and its underlying common securities, are estimated based on an analysis of future values for the enterprise, assuming various outcomes. The value of the common securities is based on the probability-weighted present value of expected future investment returns considering each of the possible outcomes and the rights of each class of equity. The future values of the common securities under the various outcomes are discounted back to the valuation date at an appropriate risk-adjusted discount rate and then probability weighted to determine the value for the common securities.

The option pricing method, or OPM, treats common securities and preferred securities as call options on the enterprise's equity value, with exercise prices based on the liquidation preferences of the preferred securities. Under this method, the common securities have value only if the funds available for distribution to shareholders exceed the value of the liquidation preferences at the time of a liquidity event. The Black-Scholes model is used to price the call option, and the model includes assumptions for the time to liquidity and the volatility of equity value.

The hybrid method is a hybrid between the PWERM and OPM, estimating the probability-weighted value across multiple scenarios but using the OPM to estimate the allocation of value within one or more of those scenarios.

Valuations performed in the year ended December 31, 2018 and 2019, used a hybrid of the PWERM and OPM when allocating the Company's enterprise value to classes of securities.

When using the hybrid method, the Company assumed two scenarios: an IPO scenario and a trade-sale scenario. The IPO scenario estimated an equity value based on the guideline public company method under a market approach. The guideline public companies considered for this scenario consist of biopharmaceutical companies with recently completed initial public offerings. The Company converted its estimated future value in an IPO to present value using a risk-adjusted discount rate. The equity value for the trade-sale scenario was estimated using the price of a recently issued preferred security, as well as a milestone-based tranche closing. The Company utilized an option pricing model to quantify or attribute value to these economic rights of convertible preferred stock vs. the common stock (e.g. liquidation preferences, dividend provisions, participation rights after liquidation preferences.)

In the OPM, volatility is estimated based on the trading histories of selected guideline public companies. The relative probability of each scenario was determined based on an assessment of then-current market conditions and the Company's expectations as to timing and prospects of an IPO.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Each valuation methodology includes estimates and assumptions that require significant judgment. These estimates and assumptions include a number of objective and subjective factors, including the prices at which shares were traded between holders of the Company, external market conditions, the prices at which the Company sold convertible preferred shares, the superior rights and preferences of securities senior to common shares at the time, and the likelihood of achieving a voluntary or involuntary liquidity event.

Significant changes to the key assumptions used in the valuations could result in different fair values of common shares at each valuation date, as applicable.

Income Taxes

Kymera Therapeutics, Inc. and Kymera Orion, LLC are taxed as C-corporations for federal income tax purposes and file separate corporate income tax returns from the former LLC entity. On November 1, 2018, Kymera Therapeutics LLC was dissolved and a final return was filed for that period. Subsequent to this internal restructuring, Kymera Therapeutics, Inc. became the 100% owner of the outstanding shares of Kymera Orion, LLC, and an election to file a consolidated tax return was made as of this date. Income taxes for Kymera Therapeutics, Inc. are recorded in accordance with FASB Accounting Standards Codification Topic 740, *Income Taxes* (“ASC 740”), which provides for deferred taxes using an asset and liability approach. Under this method, deferred income tax assets and liabilities are recognized based on future income tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities, and their respective income tax basis. Deferred income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in income tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that a valuation allowance for any income tax benefits of which future realization is not more likely than not.

The Company provides reserves for potential payments of tax to various tax authorities related to uncertain tax positions. The tax benefits recorded are based on a determination of whether and how much of a tax benefit taken by the Company in its tax filings or positions is “more likely than not” to be realized following resolution of any uncertainty related to the tax benefit, assuming that the matter in question will be raised by the tax authorities.

Off Balance Sheet Risk and Concentration of Credit Risk

The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents, and restricted cash. The Company’s cash, cash equivalents, and restricted cash are deposited in accounts at large financial institutions. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash, cash equivalents and restricted cash are held. The Company maintains its cash equivalents in money market funds that invest in U.S. Treasury securities and U.S. Treasury obligations.

Comprehensive Loss

Comprehensive loss includes net loss as well as unrealized gains on marketable securities and other changes in stockholders’ equity (deficit) that result from transactions and economic events other than those with stockholders.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Net Loss Per Share

The Company applies the two-class method to compute basic and diluted net income (loss) per share attributable to common stockholders when it 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 (loss) available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to share in the earnings as if all income (loss) for the period had been distributed. The Company's convertible preferred stock participates in any dividends declared by the Company and are therefore considered to be participating securities. The participating securities are not required to participate in the losses of the Company, and therefore during periods of loss there is no allocation required under the two-class method.

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 shares of common stock outstanding for the period. Diluted net income (loss) attributable to common stockholders is computed by adjusting net income (loss) per share 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 shares of common stock outstanding for the period, including potential dilutive common shares. For purpose of this calculation, outstanding options to purchase common stock, unvested restricted stock awards, and shares of convertible preferred stock are considered potential dilutive common shares. The Company has generated a net loss in all periods presented, and therefore the basic and diluted net loss per share attributable to common stockholders are the same as the inclusion of the potentially dilutive securities would be anti-dilutive.

Recent Accounting Pronouncements*Recently Adopted Accounting Standards*

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), as subsequently amended which requires an entity to recognize assets and liabilities arising from a lease for both financing (formerly referred to as capital) and operating leases. ASU 2016-02 also requires new qualitative and quantitative disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Company adopted this ASU as of January 1, 2019 using the required modified retrospective approach and utilizing the effective date as its date of initial application. As a result, prior periods are presented in accordance with the previous guidance in ASC 840, *Leases* ("ASC 840"). In addition, the standard allows for certain practical expedients in transition to ASC 842, including the package of practical expedients. The Company elected to utilize the package of practical expedients which allowed the Company to not reassess the following: (i) whether any expired or existing contracts contained leases; (ii) the lease classification for any expired or existing leases; and (iii) the treatment of initial direct costs for any existing leases.

The adoption of this standard resulted in the recognition of operating lease liabilities and right-of-use assets of \$3.1 million and \$3.2 million respectively, and the derecognition of other non-current liabilities of \$0.1 million, on the Company's consolidated balance sheet at adoption as of January 1, 2019. Additionally, \$1.0 million of lab equipment under capital leases was reclassified to financing lease right of use assets and \$0.7 million was reclassified out of capital lease obligations to financing lease liabilities.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash* (“ASU 2016-18”), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and restricted cash. Therefore, amounts described as restricted cash should be included with cash and cash equivalents when reconciling the beginning of period and end of period amounts shown on the statement of cash flows. ASU No. 2018-18 is effective for fiscal years beginning in 2019 with early adoption permitted. The Company early adopted this guidance on January 1, 2018. ASU 2016-18 is effective on a retrospective basis. The adoption of ASU No. 2016-18 did not have a significant impact on the Company’s consolidated statements of cash flows.

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. The standard is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. The Company adopted ASU 2017-09 as of January 1, 2018 and determined this adoption did not have a material impact on its consolidated financial statements.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606*. The amendments in this update clarify that certain transactions between collaborative arrangement participants should be accounted for as revenue when the collaborative arrangement participant is a customer in the context of a unit of account and precludes recognizing as revenue consideration received from a collaborative arrangement participant if the participant is not a customer. The Company adopted as of January 1, 2019 and it did not have a significant impact on its financial position or results of operation.

Recently Issued Accounting Standards Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements*. The new standard requires that expected credit losses relating to financial assets measured on an amortized cost basis and available-for-sale debt securities be recorded through an allowance for credit losses. It also limits the amount of credit losses to be recognized for available-for-sale debt securities to the amount by which carrying value exceeds fair value and also requires the reversal of previously recognized credit losses if fair value increases. The new standard will be effective beginning January 1, 2020. The Company is currently evaluating the potential impact ASU 2016-13, and related updates, will have on its financial position and results of operations upon adoption.

In August 2018, the FASB issued ASU 2018-15, *Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The new standard will align the requirements for capitalizing implementation costs for hosting arrangements (services) with costs for internal-use software (assets). As a result, certain implementation costs incurred in hosting arrangements will be deferred and amortized. The new standard will be effective for the Company on January 1, 2020. The Company does not anticipate a material impact to its net financial position or disclosures as a result of the adoption of ASU 2018-15.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The new standard will be effective beginning January 1, 2020. The Company is currently evaluating the potential impact ASU 2018-13, and related updates, will have on its financial position and results of operations upon adoption.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In April 2019, the FASB issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. This update provides clarifications for three topics related to financial instruments accounting, some of which apply to the Company. The amendments in this update will be effective beginning January 1, 2020. The Company is currently evaluating the potential impact ASU 2019-04 may have on its financial position and results of operations upon adoption.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify the accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. The new standard will be effective beginning January 1, 2021. The Company is currently evaluating the potential impact ASU 2019-12 may have on its financial position and results of operations upon adoption.

Emerging Growth Company Status

The Company is an emerging growth company (“EGC”), as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”), and may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not EGCs. The Company may take advantage of these exemptions until it is no longer an EGC under Section 107 of the JOBS Act, which provides that an EGC can take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. The Company has elected to use this exemption to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, where allowable the Company has early adopted certain standards as described in the Recently Adopted Accounting Standards section above. While the Company has not made such an irrevocable election, it has not delayed the adoption of any applicable accounting standards. The Company may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of an offering or such earlier time that it is no longer an EGC.

3. Fair Value Measurements

The following table presents information about the Company’s financial assets and liabilities measured at fair value on a recurring basis and indicates the level of the fair value hierarchy utilized to determine such fair values as of December 31, 2018 and 2019 (in thousands):

| | Fair Value Measurements at December 31, 2018: | | | |
|---------------------------------|--|-------------|-------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Restricted cash | \$ 199 | \$ — | \$ — | \$ 199 |
| Total | <u>\$ 199</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 199</u> |
| | | | | |
| | Fair Value Measurements at December 31, 2019: | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Marketable securities (Note 4): | \$15,942 | \$ — | \$ — | \$15,942 |
| Restricted cash | 1,774 | — | — | 1,774 |
| Total | <u>\$17,716</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$17,716</u> |

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

During the years ended December 31, 2018 and 2019, there were no transfers between Level 1, Level 2 and Level 3.

4. Marketable securities

The company did not have any marketable securities as of December 31, 2018. The following table summarizes the available-for-sale debt securities held at December 31, 2019 (in thousands):

| Description | Amortized Cost | Unrealized Gains | Gross Unrealized Losses | Fair Value |
|--------------------------|------------------|------------------|-------------------------|------------------|
| December 31, 2019 | | | | |
| U.S. treasury securities | \$ 15,936 | \$ 6 | \$ — | \$ 15,942 |
| Total | <u>\$ 15,936</u> | <u>\$ 6</u> | <u>\$ —</u> | <u>\$ 15,942</u> |

As of December 31, 2019, all of the Company's marketable securities had remaining contractual maturity dates of less than one year from the consolidated balance sheet date. There were no sales of marketable securities during the twelve months ended December 31, 2019.

5. Collaborations**Vertex Agreement**

On May 9, 2019 (the "Effective Date"), the Company entered into a collaboration agreement (the "Vertex Agreement") with Vertex Pharmaceuticals Incorporated ("Vertex"), to advance small molecule protein degraders against up to six targets. Under the Vertex Agreement, Vertex has the exclusive option to license the rights to the product candidates developed for the designated targets at which point Vertex will control development and commercialization. Pursuant to the Vertex Agreement, the Company is only responsible for discovery and preclinical research on the targets, and Vertex is responsible for development, manufacturing, and commercialization of the product candidates after it exercises its option to license.

Vertex provided the Company with a non-refundable upfront payment of \$50.0 million and purchased 3,059,695 shares of the Company's Series B-1 Convertible Preferred Stock ("Series B-1") at \$6.54 a share, pursuant to a separate, but simultaneously executed Share Purchase Agreement. The shares were purchased at a premium of \$5.9 million, which was included in the transaction price and will be recognized as revenue over the period of performance. As a result of this purchase, Vertex is considered a related party.

The Company is eligible to receive up to \$170.0 million in payments per target, including development, regulatory and commercial milestones as well as option exercise payments. In addition, Vertex is obligated to pay the Company tiered royalties on future net sales on any products that may result from the Vertex Agreement. None of the payments under the Vertex Agreement are refundable. The Company may also perform follow-on research for an optioned target upon Vertex's request and at Vertex's expense.

The Company and Vertex established a joint advisor committee (the "JAC"). The JAC will, among other responsibilities, review and oversee certain strategic activities performed under the Vertex Agreement, including reviewing the research plan and budget for the research activities and reviewing the research activities performed by each party.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The initial research term of the collaboration is four (4) years, extendable for an additional one (1) year period upon mutual agreement by the parties and payment by Vertex of certain per-target fees.

The term of the Vertex Agreement begins on the Effective Date and expires upon the expiration of all payment obligations from Vertex to Company under the Vertex Agreement or, if Vertex does not exercise any of its options, the lapse of all Vertex's option rights under the Vertex Agreement. Vertex also has the ability to terminate for convenience with prior written notice to the Company, and either party may terminate for an uncured material breach.

Accounting Treatment

The Company analyzed the joint research activities required under the Vertex Agreement and concluded that the arrangement was indicative of a vendor-customer relationship and would be accounted for under ASC 606.

The Company assessed this arrangement in accordance with ASC 606 and concluded that the contract counterparty, Vertex, is a customer. The Company identified the following material promises under the arrangement: (1) the non-exclusive, royalty-free research license; and (2) the research and development services to be performed on up to six targets; and (3) the option to license each of the targets for development, manufacturing, and commercialization efforts. The research and development services were determined not to be distinct from the research and development license and have been combined into a single performance obligation. The Company determined that the option to license the targets in the future was not priced at a discount, and that the option exercise fee for each target is at or above the standalone selling price for research at this stage of development; as such, the options and the underlying licenses are excluded from the performance obligation and the option exercise fees are excluded from the transaction price until the underlying option is exercised.

As part of its evaluation of constraining the research and development milestones, the Company considered numerous factors, including the fact that the achievement of the research and development milestones are contingent upon the results of the underlying research and development activities and are thus outside of the control of the Company.

At the commencement of the arrangement, two units of accounting were identified, the issuance of 3,059,695 shares of the Company's Series B-1 and the research activities the Company will perform over the Research Term. The Company determined the total transaction price to be \$55.9 million, which consists of \$5.9 million attributed to the premium from the Series B-1 shares sold to Vertex and the \$50.0 million upfront payment. To determine the fair value of the Series B-1 issued to Vertex, the Company performed a valuation of the shares of the Company's common and preferred stock, which took into consideration recent financings, and the Company's recent development and future exit strategies, as well as a discount for lack of marketability.

The Company recognizes revenue associated with the performance obligation as the research and development services are provided using an input method, according to the costs incurred as related to the research and development activities on each program and the costs expected to be incurred in the future to satisfy the performance obligation. The transfer of control occurs over this time period and, in management's judgment, is the best measure of progress towards satisfying the performance obligation. The amounts received that have not yet been recognized as revenue are deferred as a contract liability on the Company's consolidated balance sheet and will be recognized over the remaining research and development period until the performance obligation is satisfied. The performance obligation has not been fully satisfied as of December 31, 2019. In 2019, the Company recognized \$2.9 million in revenue under the Vertex Agreement. The aggregate amount of the

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

transaction price allocated to the Company's unsatisfied performance obligation and recorded in deferred revenue at December 31, 2019 is \$53.0 million. The Company will recognize the deferred revenue related to the research and development services based on a cost input method, over the remaining research term maximum of 3.4 years as of December 2019.

Any consideration related to sales milestone payments (including royalties) will be recognized when the related milestone events or sales occur and therefore are recognized at the later of when the related sales occur or the relevant performance obligation is satisfied.

Compound Collaboration

In October 2017, the Company entered into a collaboration agreement (the "Collaboration") with a pharmaceutical company to jointly identify, research and conduct pre-clinical development of collaboration compounds against specified collaboration targets to identify drug candidates. Under the terms of the Collaboration, both parties provided one another with a non-exclusive, royalty-free, sub-licensable research and development license to each party's intellectual property to develop five agreed-upon collaboration targets, as well as an exclusive, royalty-bearing development and commercialization license to sell any licensed products that stem from such research. The parties also have the ability to nominate additional collaboration targets if agreed-upon, as long as there are no more than five targets at any given time.

In exchange for the non-exclusive license rights, the Company provided the pharmaceutical company with an equity grant and is required to make tiered royalty payments based on net sales of all products licensed under the agreement in the low single-digit percentages. In conjunction with the Collaboration, the Company initially issued 886,305 Series A Preferred Units ("Series A Preferred Units") (see Note 10) to the pharmaceutical company. On November 1, 2018, pursuant to the terms of the Reorganization (see Note 1), these Series A Preferred Units were exchanged on a one-for-one basis for shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock") (see Note 10). These shares vest in equal installments over three years. The Company is recording expense over the remaining vesting period based on the fair value of the shares under the Collaboration. The Company recorded \$0.4 million and \$0.4 million to research and development expense related to the vesting of 221,577 and 221,579 of shares of Series A Preferred Stock for the years ended December 31, 2018 and 2019, respectively.

The royalty payments are contingent and as such are not being recorded until incurred. The Company determined that the license is representative of an in-process research and development asset, with no future alternative use. As such, the Company records the expense related to the vesting of shares of Series A Preferred Stock as research and development expense in the Company's consolidated statements of operations and comprehensive loss.

The Collaboration can be terminated by either party for convenience with 60-days written notice and may also be terminated in the event of a material breach.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Property and Equipment

Property and equipment consist of the following (in thousands):

| | December 31, | |
|---|----------------|-----------------|
| | 2018 | 2019 |
| Lab and office equipment under capital lease and financing right of use asset | \$1,109 | \$ 2,751 |
| Lab equipment | 657 | 919 |
| Computer equipment | 63 | 71 |
| Furniture & fixtures | 92 | 104 |
| Leasehold improvements | 545 | 545 |
| Assets not yet in service | — | 453 |
| Total property and equipment | 2,466 | 4,843 |
| Less accumulated depreciation | (224) | (1,049) |
| Property and equipment, net | <u>\$2,242</u> | <u>\$ 3,794</u> |

Depreciation expense for the years ended December 31, 2018 and 2019 was \$0.2 million and \$0.8 million, respectively.

Included in property and equipment is lab and office equipment right of use assets under financing leases with a cost basis of \$2.8 million and accumulated amortization expense of \$0.5 million at December 31, 2019.

Amortization expense related to right of use assets was \$0.4 million for the year ended December 31, 2019 and is included in depreciation expense. Included in property and equipment is lab and office equipment purchased under financing leases with a cost basis of \$1.1 million and accumulated amortization expense of \$0.1 million at December 31, 2018.

Amortization expense related to property and equipment under financing leases was \$0.1 million for the year ended December 31, 2018 and is included in depreciation expense.

7. Leases

In February 2018, the Company entered into a noncancelable facility lease agreement (“Lease”) for 9,836 square feet of research and development and office space in Cambridge, Massachusetts. The term of the lease is 60 months and expires on April 30, 2023. The Lease has an option to be extended for an additional three-year term. The lease is not reasonably certain to be extended and such additional term is not included in the measurement of the lease. The Company received a tenant incentive allowance of \$0.1 million in 2018. In accordance with the lease agreement, the Company is required to maintain a security deposit and provided a letter of credit to the landlord for \$0.2 million, which is recorded in other assets as of December 31, 2018 and 2019.

In April 2019, the Company entered into a facility sublease agreement (“Sublease”) for 1,471 square feet of office space in Cambridge, Massachusetts. The term of the lease began on June 24, 2019 and expires on December 31, 2020. The Sublease has an option to be extended for an additional six-month term. In accordance with the Sublease agreement, the Company is required to maintain a security deposit and to provide a letter of credit to the landlord for an immaterial amount. The Sublease requires the Company to share in prorated operating expenses and property taxes based upon actual amounts incurred; those amounts are considered variable lease costs and, therefore, are not included in the measurement of the lease and are instead recognized to expense as incurred.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In October 2019, the Company entered into a noncancelable facility lease agreement (“New Lease”) for 34,522 square feet of research and development and office space in Watertown, Massachusetts. The term of the New Lease is 120 months and expires on March 31, 2030. The New Lease has an option to be extended for an additional five years. The lease is not reasonably certain to be extended and as such the additional term is not included in the measurement of the lease. The New Lease includes a rent escalation clause, and rent expense is being recorded on a straight-line basis. The Company will receive a tenant incentive allowance of \$5.5 million in 2020 as the tenant improvements are completed and submitted for reimbursement. In accordance with the lease agreement, the Company is required to maintain a security deposit and provided a letter of credit to the landlord for \$1.5 million, which is recorded in other assets as of December 31, 2019.

The Company’s financing lease obligations consist of certain property and equipment financed through capital leases.

The components of the lease costs for the year ended December 31, 2019 were as follows (in thousands):

| | <u>December 31, 2019</u> |
|---|--------------------------|
| Operating lease costs | \$ 1,597 |
| Financing lease costs: | |
| Amortization of right-to-use assets, financing leases | 385 |
| Interest expense for financing lease liabilities | 46 |
| Variable lease costs | 340 |
| Total lease costs | \$ 2,368 |

Supplemental cash flow information relating to the Company’s leases for the year ended December 31, 2019 was as follows (in thousands):

| | <u>December 31, 2019</u> |
|---|--------------------------|
| Cash paid for amounts included in the measurement of lease liabilities: | |
| Operating cash flows used in operating leases | \$ 635 |
| Financing cash flows used in finance leases | \$ 385 |
| Operating cash flows used in finance leases | \$ 46 |

Weighted average remaining lease terms and discount rates as of December 31, 2019 were as follows:

| | <u>December 31, 2019</u> |
|-----------------------|--------------------------|
| Remaining lease term: | |
| Operating lease | 9.3 years |
| Financing lease | 3.7 years |
| Discount Rate: | |
| Operating lease | 10.3% |
| Financing lease | 7.8% |

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The undiscounted future lease payments for operating and finance leases as of December 31, 2019, were as follows (in thousands):

| <u>Fiscal Year</u> | <u>Operating Leases</u> | <u>Financing Leases</u> |
|--|-------------------------|-------------------------|
| 2020 | \$ 2,843 | \$ 705 |
| 2021 | 3,400 | 700 |
| 2022 | 3,501 | 445 |
| 2023 | 2,968 | 235 |
| 2024 | 2,732 | — |
| Thereafter | 15,739 | — |
| Total minimum lease payments | 31,183 | 2,085 |
| Less amounts representing interest or imputed interest | (11,834) | (239) |
| Present value of lease liabilities | \$ 19,349 | \$ 1,846 |

Rent expense for operating leases recognized under ASC 840 for the year ended December 31, 2018 was \$0.5 million. Amounts disclosed pertaining to the year ended December 31, 2018 are presented under previous accounting guidance and are therefore not comparable to the amounts recorded in the current period under ASC 842.

Future minimum payments due under the Operating leases as of December 31, 2018 were as follows:

| | |
|------------------------------|---------|
| 2019 | \$ 813 |
| 2020 | 837 |
| 2021 | 862 |
| 2022 | 888 |
| 2023 | 299 |
| Total minimum lease payments | \$3,699 |

Future minimum payments under the Company's financing leases as of December 31, 2018 were as follows:

| | |
|--|-------|
| 2019 | \$321 |
| 2020 | 206 |
| 2021 | 201 |
| Total minimum lease payments | 728 |
| Less: Amount representing interest | (33) |
| Present value of future minimum lease payments | \$695 |

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Accrued Expenses

Accrued expenses consist of the following (in thousands):

| | December 31, | |
|-----------------------------------|----------------|----------------|
| | 2018 | 2019 |
| Research and development expenses | \$1,211 | \$2,617 |
| Payroll and payroll-related | 792 | 1,256 |
| Professional fees | 222 | 606 |
| Other | 94 | 89 |
| Accrued expenses | <u>\$2,319</u> | <u>\$4,568</u> |

9. Other Commitments and Contingencies***Legal Proceedings***

In the ordinary course of business, the Company may be subject to legal proceedings, claims and litigation as the Company operates in an industry susceptible to patent legal claims. The Company accounts for estimated losses with respect to legal proceedings and claims when such losses are probable and estimable. Legal costs associated with these matters are expensed when incurred. The Company is not currently a party to any legal proceedings.

Indemnification Arrangements

As permitted under Delaware law, the Company has agreements whereby it indemnifies its investors, employees, officers, and directors (collectively, the "Indemnified Parties") for certain events or occurrences while the Indemnified Parties are, or were serving, at its request in such capacity. The term of the indemnification period is for the Indemnified Parties' lifetime. The Company believes the estimated fair value of these indemnification agreements is minimal. The Company enters into standard indemnification agreements in the ordinary course of business. Pursuant to these agreements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified party for losses suffered or incurred by the indemnified party, generally the Company's business partners or customers, in connection with any U.S. patent or any copyright or other intellectual property infringement claim by any third party with respect to the Company's products. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited. The Company is not aware of any claims under indemnification arrangements, and it has not accrued any liabilities related to such obligations as of December 31, 2018 or 2019.

10. Convertible Preferred Units and Convertible Preferred Stock

As of December 31, 2017, the Company had outstanding 3,000,000 units of Series Seed-1 Preferred Units; 1,000,000 units of Series Seed-2 Preferred Units, (collectively, "Series Seed Preferred Units"); and 6,026,970 units of Series A Preferred Units. In May 2018, the Company issued 7,250,000 Series A Preferred Units at \$2.00 per unit for proceeds of \$14.5 million. The preferred units were convertible by the holders under specified conditions.

In 2018, the Company recorded the vesting of 221,577 Series A Preferred Units associated with the Compound Collaboration as discussed above in Note 5.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

On November 1, 2018, pursuant to the terms of the Reorganization (see Note 1), the holders of all outstanding Series Seed-1 Preferred Units of Kymera LLC exchanged their units on a one-for-one basis for 3,000,000 shares of Series Seed Convertible Preferred Stock (the “Series Seed Preferred Stock”) of Kymera Therapeutics, Inc. and (ii) the holders of substantially all outstanding Series Seed-2 and Series A Preferred Units of Kymera LLC exchanged their units on a one-for-one basis for 14,498,547 shares of Series A Preferred Stock. The rights and preferences of each such class of equity (as described below) were the same before and after the Reorganization.

In November 2018, the Company executed a Series B Preferred Stock Purchase Agreement (“Series B SPA”) to issue Series B Convertible Preferred Stock at \$4.06 per share. 9,605,905 shares of Series B Convertible Preferred Stock (“Series B Preferred Stock”) were issued for total proceeds of \$38.7 million, net of issuance costs of \$0.3 million. The second tranche of issuance of Series B Preferred Stock was contingent upon the achievement of certain milestone events.

In May 2019, Vertex Pharmaceuticals Incorporated purchased 3,059,695 shares of the Company’s Series B-1 Convertible Preferred Stock (“Series B-1 Preferred Stock”) at \$6.54 a share for total proceeds of \$20.0 million. The Company allocated approximately \$5.9 million of the proceeds to the transaction price of its research and development agreement with Vertex (see Note 5 for further discussion).

In December 2019, upon achievement of the milestone events stipulated within the Series B SPA, the Company commenced the issuance of the second tranche Series B Preferred Stock issuing 5,221,675 shares in December 2019 and 1,182,265 shares in January 2020, at \$4.06 per share for an additional \$21.2 million and \$4.8 million in gross proceeds, respectively. The issuance costs related to the second tranche was insignificant. The Company determined that the tranche rights did not meet the definition of a freestanding financial instrument because, while separately exercisable, they were not legally detachable. In 2019, the Company recorded the vesting of 221,579 shares of Series A Preferred Stock associated with the Compound Collaboration as discussed above in Note 5.

As of December 31, 2018 and 2019, convertible preferred stock consisted of the following (in thousands, except share data):

| | Preferred authorized | Preferred shares issued and outstanding | Carrying Value | Liquidation Preference | Ordinary shares issuable upon conversion (Per Share) |
|--------------------------|----------------------|---|----------------|------------------------|--|
| December 31, 2018 | | | | | |
| Series Seed Convertible | 3,000,000 | 3,000,000 | \$ 5,900 | \$ 3,000 | 3,000,000 |
| Series A Convertible | 14,886,305 | 14,498,547 | 28,794 | 28,997 | 14,498,547 |
| Series B Convertible | 16,009,848 | 9,605,905 | 38,735 | 39,000 | 9,605,905 |
| Total | 33,896,153 | 27,104,452 | \$ 73,429 | \$ 70,997 | 27,104,452 |
| | | | | | |
| | Preferred authorized | Preferred shares issued and outstanding | Carrying Value | Liquidation Preference | Ordinary shares issuable upon conversion (Per Share) |
| December 31, 2019 | | | | | |
| Series Seed Convertible | 3,000,000 | 3,000,000 | \$ 5,900 | \$ 3,000 | 3,000,000 |
| Series A Convertible | 14,886,305 | 14,720,126 | 29,237 | 29,440 | 14,720,126 |
| Series B Convertible | 16,009,848 | 14,827,580 | 59,918 | 60,200 | 14,827,580 |
| Series B-1 Convertible | 3,059,695 | 3,059,695 | 14,025 | 20,000 | 3,059,695 |
| Total | 36,955,848 | 35,607,401 | \$ 109,080 | \$ 112,640 | 35,607,401 |

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The rights, preferences, and privileges of convertible preferred stock were as follows as of December 31, 2019:

Voting Rights

The preferred stockholders are entitled to cast the number of votes equal to the number of common shares into which each preferred share is convertible as of the record date for determining stockholders entitled to vote on such matter. Preferred stockholders and common stockholders vote together as a single class.

Dividends

Dividends are only paid when and if declared by the Board of Directors. The holders of Series B-1, Series B, Series A and Series Seed Preferred Stocks are not entitled to receive dividends as of December 31, 2019.

Conversion

Each share of convertible preferred stock shall be convertible at the option of the holder, at any time, into such number of fully paid and nonassessable shares of common stock as is determined by dividing the original issue price of the series of convertible preferred stock by the conversion price in effect at the time of conversion for such shares of convertible preferred stock (initially \$1.00, \$2.00, \$4.06 and \$6.5366 for the Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, respectively). As such, the shares of preferred stock effectively convert on a one-for-one basis. The convertible preferred stock conversion prices shall be adjusted when there is a deemed issuance of additional preferred shares issued at a price lower than the convertible preferred stock original issue prices or issuance of an instrument with rights that could dilute the interest of convertible preferred stockholders. In addition, convertible preferred stock will be automatically converted into common stock at the applicable conversion ratio then in effect for each series of convertible preferred stock upon the earlier of (i) the closing of a firm commitment underwritten public offering of its common stock with gross proceeds to the Company of at least \$50.0 million and at a price per share of not less than \$8.12, subject to appropriate adjustment in the event of any share split, share dividend, combination or other similar recapitalization; or (ii) a date specified vote or written consent of the holders of a majority of convertible preferred stock, voting together as a single class on an as-if-converted to ordinary shares basis.

Liquidating Distributions

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, including a merger or sale of the Company ("Deemed Liquidation Event"), the amount to be paid for each class of stock is equal to the original price of the issuance, plus any declared but unpaid dividends. At December 31, 2019, the liquidation priority is as follows: the holders of Series B and B-1 Preferred Stock have first preference, the holders of Series Seed and Series A Preferred Stock have second preference on a pari passu basis and the remaining assets of the Company available for distribution to its stockholders shall be distributed among holders of shares of convertible preferred stock and common stock, pro rata based on the number of shares held by each such holder as if they have been converted to common stock immediately prior to such deemed liquidation event.

11. Common Stock and Common Units

On November 1, 2018, pursuant to the terms of the Reorganization (see Note 1), the holders of all outstanding common units of Kymera LLC exchanged their units on a one-for-one basis for 1,875,000 shares of

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

common stock of Kymera Therapeutics, Inc.; and (ii) the holders all outstanding common incentive units of Kymera LLC exchanged their units either on a one-for-one basis for 484,180 restricted common stock or a split of approximately sixty to forty percent between restricted stock and options to purchase common stock based on the threshold value amount of the incentive units held by such holders (see Note 12).

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders provided, however, that, except as otherwise required by law, holders of common stock will not be entitled to vote on any amendment to the Company's 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 Delaware General Corporation Law. Common stockholders are entitled to receive dividends, as may be declared by the Company's Board of Directors, if any, subject to the preferential dividend rights of the convertible preferred stock. No dividends have been declared or paid during the years ended December 31, 2018 or 2019.

As of December 31, 2018 and 2019, the Company has reserved the following shares of common stock for potential conversion of outstanding convertible preferred stock, the vesting of restricted stock and exercise of stock options:

| | December 31, | |
|---|-------------------|-------------------|
| | 2018 | 2019 |
| Shares reserved for conversion of outstanding Series Seed Preferred Stock | 3,000,000 | 3,000,000 |
| Shares reserved for conversion of outstanding Series A Preferred Stock | 14,498,547 | 14,720,126 |
| Shares reserved for conversion of outstanding Series B Preferred Stock | 9,605,905 | 14,827,580 |
| Shares reserved for conversion of outstanding Series B-1 Preferred Stock | — | 3,059,695 |
| Shares reserved for unvested restricted stock | 1,406,263 | 370,725 |
| Shares reserved for options to purchase common stock under the 2018 Stock Option and Grant Plan | 936,185 | 4,697,527 |
| Total | <u>29,446,900</u> | <u>40,675,653</u> |

12. Equity-Based Compensation

Incentive Units under Amended and Restated LLC Operating Agreement

Prior to the November 2018 Reorganization, the common incentive units issued or issuable, as defined in the Amended LLC Agreement, were intended to constitute "profits interests" for tax purposes. The common incentive units vested over a term of four years.

In connection with the issuance of any incentive unit, the Company's Board of Directors set a threshold dollar amount with respect to the units (the "strike price"). The strike price is determined and set as the fair value of the underlying common units on the date of the grant.

The Company uses a third-party valuation expert to value incentive units. The weighted-average grant date fair value for incentive units granted in 2018 was \$0.47. The total fair value of incentive units vested in 2018 was \$0.3 million. During the year ended December 31, 2018, the Company recorded equity-based compensation expense for incentive units of \$0.3 million, of which \$0.1 million was included in research and development expense and \$0.2 million was included in general and administrative expense, respectively.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Upon the Reorganization on November 1, 2018, the Company exchanged all 2,832,778 outstanding common incentive units of Kymera LLC for 1,886,775 shares of restricted stock and options to purchase 946,003 common stock of the Company. These exchanges resulted in the common incentive unit holders being given either (i) one-for-one restricted stock for their incentive units; or (ii) a split of approximately sixty to forty percent between restricted stock and options to purchase common stock based on the threshold value amount of the incentive units held by such holders. The modification resulted in incremental equity-based compensation expense of \$1.1 million, \$0.9 million which will be recognized over the remaining vesting period outlined within each award, only to the extent such fully vest, and \$0.2 million of which was recognized upon the modification, \$0.1 million was included in research and development and \$0.1 million was included in general and administrative expense.

2018 Stock Option and Grant Plan

In November 2018, the Company adopted, and its stockholders approved, the 2018 Stock Option and Grant Plan (the “2018 Plan”), which provides for the granting of stock options and other equity-based awards at the discretion of the Board of Directors or any subcommittee of the Board of Directors to its employees, officers, directors, and independent contractors. As of December 31, 2019, there were 7,649,782 shares reserved by the Company to grant under the 2018 Plan and an aggregate of 1,510,364 shares remained available for future grants.

The 2018 Plan is administered by the Board of Directors. The exercise prices, vesting, and other restrictions are determined at the discretion of the Board of Directors, except that the exercise price per share of stock options may not be less than 100% of the fair market value of the common stock on the date of grant. Stock options awarded under the 2018 Plan expire ten years after the grant date, unless the Board of Directors sets a shorter term. Vesting periods for awards under the plans are determined at the discretion of the Board of Directors. Incentive stock options and shares of restricted stock granted to employees, officers, members of the Board of Directors, advisors, and consultants of the Company typically vest over four years. Non-statutory options and shares of restricted stock granted to employees, officers, members of the Board of Directors, advisors, and consultants of the Company typically vest over four years.

Stock Options

The Company has granted stock options with service and performance-based vesting conditions. A summary of stock option activity under the 2018 Plan during the years ended December 31, 2018 and 2019 is as follows (in thousands except share and per share data):

| | Number of Units Outstanding | Weighted Average Strike Price per Unit | Weighted Average Remaining Contractual Term (in years) | Aggregate Intrinsic Value |
|----------------------------------|--------------------------------|---|---|------------------------------|
| Outstanding at December 31, 2018 | 936,185 | \$ 0.82 | 8.93 | \$ 169 |
| Granted | 5,049,108 | 1.30 | | |
| Exercised | (152,963) | 0.86 | | 68 |
| Forfeited | (1,134,803) | 1.10 | | |
| Expired | — | — | | — |
| Outstanding at December 31, 2019 | 4,697,527 | \$ 1.27 | 9.60 | \$ 7,798 |
| Exercisable at December 31, 2019 | 365,201 | \$ 1.13 | 9.23 | \$ 657 |
| Nonvested at December 31, 2019 | 4,332,326 | \$ 1.28 | 9.63 | \$ 7,148 |

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 exercise

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

prices lower than the fair value of the Company's common stock. The weighted-average fair value of options granted during the years ended December 31, 2018 and 2019 was \$0.66 and \$1.06 per share, respectively.

As of December 31, 2019, the total unrecognized stock-based compensation expense for unvested stock options was \$3.6 million, which is expected to be recognized over 3.4 years. The total fair value of stock options vested during the years ended December 31, 2018 and 2019 was \$0.1 million and \$0.2 million, respectively.

During the years ended December 31, 2018 and 2019, the Company recorded stock-based compensation expense for stock options of less than \$0.1 million and \$0.8 million, of which an immaterial amount and \$0.5 million was included in research and development expense and less than \$0.1 million and \$0.3 million was included in general and administrative expense, respectively. Included within the 2019 general and administrative stock-based compensation expense was less than \$0.1 million from a modification of an employee's awards.

The weighted-average assumptions that the Company used in Black-Scholes option pricing model to determine the grant date fair value of stock options granted to employees and non-employees for the years ended December 31, 2018 and 2019 were as follows:

| | <u>2018</u> | <u>2019</u> |
|--------------------------|-------------|-------------|
| Expected term (in years) | 5.12 | 6.49 |
| Volatility | 62% | 71% |
| Risk-free interest rate | 2.72% | 1.83% |
| Dividend yield | 0.00% | 0.00% |

Restricted Common Stock

The Company has granted shares of restricted common stock with service-based and performance-based vesting conditions. A summary of restricted stock activity under the 2018 Plan during the years ended December 31, 2018 and 2019 is as follows:

| | <u>Number of Units Outstanding</u> | <u>Grant Date Fair Value per Share</u> |
|-------------------------------|--|--|
| Unvested at December 31, 2018 | 1,406,263 | \$ 1.00 |
| Granted | — | \$ — |
| Vested | (452,774) | \$ 1.00 |
| Forfeited | (582,764) | \$ 1.00 |
| Unvested at December 31, 2019 | 370,725 | \$ 1.00 |

The weighted-average fair value of restricted stock granted during the year ended December 31, 2018 was \$1.00 per share. As of December 31, 2019, the total unrecognized stock-based compensation expense for unvested restricted stock was \$0.4 million, which is expected to be recognized over 2.2 years. The total fair value of restricted stock vested during the year ended December 31, 2018 and 2019 was \$0.4 million and \$0.5 million, respectively. During the years ended December 31, 2018 and 2019, the Company recorded stock-based compensation expense for restricted stock of \$0.1 million and \$0.4 million, of which less than \$0.1 million and \$0.2 million was included in research and development expense and less than \$0.1 million and \$0.2 million was included in general and administrative expense, respectively. Included within the 2019 general and administrative stock-based compensation expense was \$0.1 million from a modification of an employee's awards.

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Equity-Based Compensation Expense

Total equity-based compensation expense recorded as research and development and general and administrative expenses, respectively, for employees, directors, and non-employees during the years ended December 31, 2018 and 2019, respectively, is as follows (in thousands):

| | Twelve months ended December 31, | |
|---------------------------------|----------------------------------|----------|
| | 2018 | 2019 |
| Research and development | \$ 272 | \$ 688 |
| General and administrative | 376 | 508 |
| Total equity-based compensation | \$ 648 | \$ 1,196 |

13. Related-Party Transactions

In addition to the collaboration discussed in Note 5, the Company had the following related party transactions for the period presented in the accompanying consolidated financial statements, which has not otherwise been discussed in these notes to the consolidated financial statements. The Company made payments of \$0.1 million and an immaterial amount to an investor for rent expense and other reimbursements for services rendered for the years ended December 31, 2018 and 2019, respectively. The Company also made payments of \$0.8 million and \$1.0 million to a second investor for rent expenses and is due \$0.1 million and an immaterial amount from this investor for tenant reimbursements as of December 31, 2018 and 2019, respectively.

14. Income Taxes

The Company records income tax expense related to profits realized by its U.S. operating subsidiaries. For the years ended December 31, 2018 and 2019, no income tax expense was recorded due the group's net operating loss ("NOL") and full valuation allowance.

The rate reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate for the years ended December 31, 2018 and 2019 are as follows:

| | December 31, | |
|--|--------------|---------|
| | 2018 | 2019 |
| Tax effect at statutory rate | 21.0% | 21.0% |
| State taxes | 5.9% | 7.0% |
| Stock compensation | (0.6%) | (0.6%) |
| Permanent differences | (0.1%) | 0.0% |
| Federal research and development credits | 1.2% | 2.0% |
| Other | (0.5%) | 0.0% |
| Change in valuation allowance | (26.9%) | (29.4%) |
| Total | 0.0% | 0.0% |

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows (in thousands):

| | December 31, | |
|---|-----------------|------------------|
| | 2018 | 2019 |
| <i>Deferred Tax Assets:</i> | | |
| Federal net operating loss carryforwards | \$ 6,599 | \$ 15,011 |
| State net operating loss carryforwards | 1,893 | 4,319 |
| Research and development credit carryforwards | 675 | 1,637 |
| Lease liabilities | — | 5,286 |
| Accruals and reserves, stock and other | 323 | 525 |
| Total deferred tax assets | \$ 9,490 | \$ 26,778 |
| Valuation allowance | \$(9,050) | \$(20,949) |
| Deferred tax assets | \$ 440 | \$ 5,829 |
| Fixed and intangible assets | (440) | (754) |
| Right of use assets | — | (5,075) |
| Net deferred tax asset | \$ — | \$ — |

As required by ASC 740, management of the Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are composed principally of NOL carryforwards and research and development credit carryforwards. Management has determined that it is more likely than not that the Company will not recognize the benefits of its federal and state deferred tax assets, and, as a result, a valuation allowance of \$9.1 million and \$20.9 million has been established at December 31, 2018 and 2019, respectively. During 2019, the valuation allowance increased by \$11.9 million primarily due to the increase in the Company's NOL during the period.

The Company has incurred NOLs from inception. At December 31, 2018 and 2019, the Company has federal NOL carryforwards of approximately \$31.4 million and \$71.5 million, respectively, and state NOL carryforwards of approximately \$30.0 million and \$68.3 million, respectively. Of the federal net operating loss carryovers, \$61.5 is not subject to expiration and the remaining federal and state NOLs begin to expire in 2036. These loss carryforwards are subject to review and possible adjustment by the appropriate taxing authorities.

Utilization of the NOL 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 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 shareholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company has not conducted a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception 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 inception, utilization of the net operating loss carryforwards or research and development tax credit carryforwards 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

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

loss carryforwards or research and development tax credit carryforwards before utilization. Further, until a study is completed and any limitation is known, no amounts are being presented as an uncertain tax position.

At December 31, 2018 and 2019, the Company had federal research and development credit carryforwards of \$0.5 million and \$1.1 million, respectively, and state research and development credit carryforwards of \$0.2 million and \$0.7 million, respectively. These carryforwards begin to expire in 2036.

The Company follows the provisions of ASC 740-10, "Accounting for Uncertainty in Income Taxes," which specifies how tax benefits for uncertain tax positions are to be recognized, measured, and recorded in financial statements; requires certain disclosures of uncertain tax matters; specifies how reserves for uncertain tax positions should be classified on the balance sheet; and provides transition and interim period guidance, among other provisions. As of December 31, 2018 and 2019, the Company has not recorded any amounts for uncertain tax positions. The Company's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of income. As of December 31, 2018 and 2019, the Company had no reserves for uncertain tax positions. For the years ended December 31, 2018 and 2019, no estimated interest or penalties were recognized on uncertain tax positions.

The Company has never been examined by the Internal Revenue Service or any other jurisdiction for any tax years and, as such, all years within the applicable statutes of limitations are potentially subject to audit.

15. Net Loss per Share

Basic and diluted loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average common shares outstanding (in thousands, except for share and per share data):

| | <u>Year Ended December 31,</u> | |
|---|--------------------------------|--------------------|
| | <u>2018</u> | <u>2019</u> |
| Numerator: | | |
| Net loss | \$ (21,467) | \$ (41,246) |
| Net loss attributable to common stockholders | <u>\$ (21,467)</u> | <u>\$ (41,246)</u> |
| Denominator: | | |
| Weighted average common shares outstanding, basic and diluted | 1,875,498 | 2,708,937 |
| Net loss per share, basic and diluted | <u>\$ (11.45)</u> | <u>\$ (15.23)</u> |

The Company's potentially dilutive securities, which include convertible preferred stock, restricted stock, and 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 from the computation of diluted net loss per share attributable to common stockholders at December 31, 2018 and 2019 because including them would have had an anti-dilutive effect:

| | <u>Year Ended December 31,</u> | |
|----------------------------------|--------------------------------|-------------------|
| | <u>2018</u> | <u>2019</u> |
| Convertible Preferred Stock | 27,104,452 | 35,607,401 |
| Unvested Restricted Stock | 1,406,263 | 370,725 |
| Options to purchase Common Stock | 936,185 | 4,697,527 |
| Total | <u>29,446,900</u> | <u>40,675,653</u> |

KYMERA THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Subsequent Events

Completion of Series B Convertible Preferred Stock Second Closing

In January 2020, the Company issued 1,182,265 shares of Series B Preferred Stock at \$4.06 per share to complete the second closing of the Series B Preferred Stock issuance for total proceeds of \$4.8 million.

Series C Convertible Preferred Stock Issuance

In March 2020, the Company issued 15,527,943 shares of Series C Preferred Stock at \$6.54 per share, of which 13,539,141 were purchased for total proceeds of \$88.5 million. Issuance costs were \$0.3 million. In connection with the issuance, 1,988,802 shares of Series A Preferred Stock were subsequently converted to shares of Series C Preferred Stock.

Lease Termination

In March 2020, the Company signed a termination agreement for its lease with a related party. The lease termination is effective July 31, 2020. There were no termination penalties.

Through and including _____, 2020 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to each dealer's obligation to deliver a prospectus when acting as underwriter, and with respect to its unsold allotments or subscriptions.

Shares



MORGAN STANLEY

BofA SECURITIES

COWEN

GUGGENHEIM SECURITIES

, 2020

PART II**Information Not Required in Prospectus****Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, payable in connection with the registration of the common stock hereunder. All amounts are estimates except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc. filing fee and the listing fee.

| | AMOUNT TO BE PAID |
|--|------------------------------|
| Securities and Exchange Commission registration fee | \$ * |
| Financial Industry Regulatory Authority, Inc. filing fee | * |
| listing fee | * |
| Printing and engraving expenses | * |
| Legal fees and expenses | * |
| Accounting fees and expenses | * |
| Transfer agent and registrar fees and expenses | * |
| Miscellaneous fees and expenses | * |
| Total | \$ * |

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers.

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 become effective immediately prior to 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 authorizes a corporation to indemnify its directors and officers against liabilities arising out of actions, suits and proceedings to which they are made or threatened to be made a party by reason of the fact that they have served or are currently serving as a director or officer to a corporation. The indemnity may cover expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the director or officer in connection with any such action, suit or proceeding. Section 145 permits corporations to pay expenses (including attorneys' fees) incurred by directors and officers in advance of the final disposition of such action, suit or proceeding. In addition, Section 145 provides that a corporation has the power to purchase and maintain insurance on behalf of its directors and officers against any liability asserted against them and incurred by them in their capacity as a director or officer, or arising out of their status as such, whether or not the corporation would have the power to indemnify the director or officer against such liability under Section 145.

We have adopted provisions in our certificate of incorporation, to be effective immediately prior to the closing of this offering, and our by-laws, to be effective upon the effectiveness of the registration statement of which this prospectus is part, that limit or eliminate the personal liability of our directors to the fullest extent

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permitted by the DGCL, as it now exists or may in the future be amended. Consequently, a director will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any unlawful payments related to dividends or unlawful stock purchases, redemptions or other distributions; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our bylaws provide that:

- we will indemnify our directors, officers and, in the discretion of our board of directors, certain employees to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended; and
- we will advance reasonable expenses, including attorneys' fees, to our directors and, in the discretion of our board of directors, to our officers and certain employees, in connection with legal proceedings relating to their service for or on behalf of us, subject to limited exceptions.

We have entered into indemnification agreements with each of our directors and intend to enter into such agreements with our executive officers. These agreements provide that we will indemnify each of our directors, certain of our executive officers and, at times, their affiliates to the fullest extent permitted by Delaware law. We will advance expenses, including attorneys' fees (but excluding judgments, fines and settlement amounts), to each indemnified director or executive officer in connection with any proceeding in which indemnification is available and we will indemnify our directors and officers for any action or proceeding arising out of that person's services as a director or officer brought on behalf of us or in furtherance of our rights. Additionally, certain of our directors or officers may have certain rights to indemnification, advancement of expenses or insurance provided by their affiliates or other third parties, which indemnification relates to and might apply to the same proceedings arising out of such director's or officer's services as a director referenced herein. Nonetheless, we have agreed in the indemnification agreements that our obligations to those same directors or officers are primary and any obligation of such affiliates or other third parties to advance expenses or to provide indemnification for the expenses or liabilities incurred by those directors are secondary.

We also maintain general liability insurance which covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act of 1933, as amended, or the Securities Act.

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification, under certain conditions, of us and our directors and officers by the underwriters against certain liabilities under the Securities Act and the Securities Exchange Act of 1934 arising in connection with the offering being registered hereby.

Item 15. Recent Sales of Unregistered Securities.

In the three years preceding the filing of this registration statement, we have issued the following securities that were not registered under the Securities Act:

(a) Issuances of Capital Stock

In August 2017, certain investors purchased an aggregate of 13,000,000 shares of our Series A preferred units for approximately \$26.0 million at \$2.00 per unit.

In November 2018, certain investors purchased an aggregate of 16,009,845 shares of our Series B convertible preferred stock for approximately \$65.0 million at \$4.06 per share.

In May 2019, Vertex Pharmaceuticals Incorporated purchased an aggregate of 3,059,695 shares of our Series B-1 convertible preferred stock for approximately \$20.0 million at \$6.5366 per share.

In March 2020, certain investors purchased an aggregate of 15,527,943 shares of our Series C convertible preferred stock, for approximately \$101.5 million at \$6.5366 per share.

No underwriters were involved in the foregoing sales of securities. The sales of securities described above were deemed to be exempt from registration pursuant to Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering. All of the purchasers in these transactions represented to us in connection with their purchase that they were acquiring the securities for investment and not distribution, that they could bear the risks of the investment and could hold the securities for an indefinite period of time. Such 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 or an available exemption from such registration. All of the foregoing securities are deemed restricted securities for the purposes of the Securities Act.

(b) Grants and Exercises of Stock Options

We have granted stock options to purchase an aggregate of 8,469,211 shares of our common stock, with exercise prices ranging from \$0.82 to \$3.34 per share, to employees, directors and consultants pursuant to the 2018 Plan. 161,003 shares of common stock have been issued upon the exercise of stock options pursuant to the 2018 Plan.

The issuances of the securities described above were deemed to be exempt from registration pursuant to Section 4(a)(2) of the Securities Act or Rule 701 promulgated under the Securities Act as transactions pursuant to compensatory benefit plans. The shares of common stock issued upon the exercise of options are deemed to be restricted securities for purposes of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--|
| 1.1* | Form of Underwriting Agreement |
| 3.1 | Third Amended and Restated Certificate of Incorporation of Registrant, as currently in effect. |
| 3.2* | Form of Fourth Amended and Restated Certificate of Incorporation of Registrant, to become effective immediately prior to the closing of this offering. |
| 3.3 | Amended and Restated Bylaws of Registrant, as currently in effect. |
| 3.4* | Form of Second Amended and Restated Bylaws of Registrant, to become effective upon the effectiveness of the registration statement of which this prospectus is a part. |

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| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|---|
| 4.1* | Specimen Common Stock Certificate. |
| 4.2 | Second Amended and Restated Investors' Rights Agreement among the Registrant and certain of its stockholders, effective as of March 11, 2020. |
| 5.1* | Opinion of Goodwin Procter LLP. |
| 10.1# | 2018 Stock Option and Grant Plan, and form of award agreements thereunder. |
| 10.2#* | 2020 Stock Option and Incentive Plan, and form of award agreements thereunder. |
| 10.3#* | Non-Employee Director Compensation Policy. |
| 10.4#* | Senior Executive Cash Incentive Bonus Plan. |
| 10.5#* | 2020 Employee Stock Purchase Plan. |
| 10.6#* | Form of Indemnification Agreement between the Registrant and each of its directors and executive officers. |
| 10.7 | Lease Agreement between the Registrant and ARE-TECH SQUARE, LLC, dated as of February 28, 2018. |
| 10.8 | Lease between the Registrant and Arsenal Yards Holding LLC, dated as of August 15, 2019. |
| 10.9#* | Form of Amended and Restated Employment Agreement. |
| 10.10# | Employment Agreement, dated April 17, 2017 between the Registrant and Laurent Audoly. |
| 10.11† | Master Collaboration Agreement, between the Registrant and Vertex Pharmaceuticals Incorporated, as amended, dated May 9, 2019. |
| 21.1 | List of Subsidiaries of Registrant. |
| 23.1* | Consent of Ernst & Young, independent registered public accounting firm. |
| 23.2* | Consent of Goodwin Procter LLP (included in Exhibit 5.1). |
| 24.1* | Power of Attorney (included on signature page). |

* To be filed by amendment.

Indicates a management contract or any compensatory plan, contract or arrangement.

† Portions of this exhibit (indicated by asterisks) will be omitted in accordance with the rules of the Securities and Exchange Commission.

(b) Financial Statements Schedules:

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a

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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.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cambridge, Commonwealth of Massachusetts, on the day of , 2020.

KYMERA THERAPEUTICS, INC.

By: _____
Nello Mainolfi, Ph.D.
Founder, President and Chief Executive Officer

POWER OF ATTORNEY AND SIGNATURES

Each individual whose signature appears below hereby constitutes and appoints each of Nello Mainolfi, Ph.D. and Bruce Jacobs, CFA, MBA as such person's true and lawful attorney-in-fact and agent with full power of substitution and re-substitution, for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement (or any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement and Power of Attorney has been signed by the following person in the capacities and on the date indicated.

| <u>NAME</u> | <u>TITLE</u> | <u>DATE</u> |
|--------------------------------------|---|-------------|
| _____ Nello Mainolfi, Ph.D. | <i>Director, Founder, President and Chief Executive Officer (Principal Executive Officer)</i> | , 2020 |
| _____ Bruce Jacobs, CFA, MBA | <i>Chief Financial Officer (Principal Financial and Accounting Officer)</i> | , 2020 |
| _____ Bruce Booth, D.Phil. | <i>Director</i> | , 2020 |
| _____ Steven Hall, Ph.D. | <i>Director</i> | , 2020 |
| _____ Andrew Hedin | <i>Director</i> | , 2020 |
| _____ Joanna Horobin, M.B., Ch.B. | <i>Director</i> | , 2020 |
| _____ Gorjan Hrustanovic, Ph.D. | <i>Director</i> | , 2020 |

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| <u>NAME</u> | <u>TITLE</u> | <u>DATE</u> |
|------------------------------------|-----------------|-------------|
| <hr/> Wei Li, Ph.D. | <i>Director</i> | , 2020 |
| <hr/> Donald W. Nicholson, Ph.D. | <i>Director</i> | , 2020 |
| <hr/> Christopher O'Donnell, Ph.D. | <i>Director</i> | , 2020 |

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
KYMERA THERAPEUTICS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Kymera Therapeutics, 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 Kymera Therapeutics, Inc. and that this corporation was originally incorporated pursuant to the General Corporation Law on September 29, 2015 under the name Project HSC, Inc. The name of this corporation was changed on June 17, 2016 to Project Chimera, Inc. and was changed again on December 22, 2017 to Kymera Therapeutics, Inc. This corporation filed with the Secretary of State of the State of Delaware an Amended and Restated Certificate of Incorporation on November 1, 2018 and a Second Amended and Restated Certificate of Incorporation on May 8, 2019.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Second Amended and Restated Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Second Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is Kymera Therapeutics, Inc. (the “**Corporation**”).

SECOND: The address of the registered office of the Corporation in the State of Delaware is 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) 65,000,000 shares of Common Stock, \$0.0001 par value per share (“**Common Stock**”) and (ii) 52,483,788 shares of Preferred Stock, \$0.0001 par value per share (“**Preferred Stock**”).

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, in their capacity as such, shall not be entitled to vote on any amendment to this Third Amended and Restated 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 this Third Amended and Restated 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 this Third Amended and Restated 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, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law and without a separate class vote of the holders of the Common Stock.

B. PREFERRED STOCK

3,000,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series Seed Preferred Stock**," 14,886,305 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A Preferred Stock**," 16,009,845 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B Preferred Stock**," 3,059,695 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-1 Preferred Stock**," and 15,527,943 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series C Preferred Stock**," each with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" or "subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

1. Dividends.

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 this Third Amended and Restated Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock (on a *pari passu* basis) in an amount at least equal to

(i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock (on a *pari passu* basis) as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Applicable Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. Any such dividends shall be payable only when, as, and if declared by the Corporation's Board of Directors (the "**Board of Directors**").

The "**Series Seed Original Issue Price**" shall mean \$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 Series Seed Preferred Stock. The "**Series A Original Issue Price**" shall mean \$2.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock. The "**Series B Original Issue Price**" shall mean \$4.06 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock. The "**Series B-1 Original Issue Price**" shall mean \$6.5366 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B-1 Preferred Stock. The "**Series C Original Issue Price**" shall mean \$6.5366 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock. The Series Seed Original Issue Price, Series A Original Issue Price, Series B Original Issue Price, Series B-1 Original Issue Price and Series C Original Issue Price, collectively, shall be referred to herein as the "**Original Issue Price**" and, individually, as the "**Applicable Original Issue Price.**"

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, and in the event of a Deemed Liquidation Event (as defined below), the holders of shares of Preferred Stock then outstanding, on a *pari passu* basis, shall be entitled to be paid out of the consideration payable to stockholders in such Deemed Liquidation Event or out of the Available Proceeds (as defined below), as applicable, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Applicable Original Issue Price, plus any dividends

declared but unpaid thereon, or (ii) such amount as would have been payable in respect of such share had all shares of such series of Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares of Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. The amount which a holder of a share of any series of Preferred Stock is entitled to receive under the first sentence of this Subsection 2.1 is hereinafter referred to as the “**Applicable Preferred Stock Liquidation Amount**” with respect to such share.

2.2 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment in full of the Applicable Preferred Stock Liquidation Amount 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 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 fifty-five percent (55%) of the outstanding shares of Preferred Stock (voting together on an as-converted to Common Stock basis), which holders shall include (i) at least one Major Series A Investor (as such term is defined in that certain Second Amended and Restated Investors’ Rights Agreement, dated on or about the Original Issue Date (as defined below), among the Corporation and the other parties named therein (the “**IRA**”)), (ii) at least one Major Series B Investor (as such term is defined in the IRA), and (iii) at least one Major Series C Investor (as such term is defined in the IRA) (together, the “**Required Holders**”), elect otherwise by written notice sent to the Corporation at least ten (10) 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, in either case, any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2)

if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole or the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a) (i) unless the agreement or plan of merger or consolidation for such transaction (the “**Merger Agreement**”) provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2, and 2.3.4.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Preferred Stock, and (iii) if the Required Holders so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by the General Corporation Law governing distributions to stockholders (the “**Available Proceeds**”), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event (the “**Redemption Date**”), to redeem all outstanding shares of each series of Preferred Stock at a price per share equal to the Applicable Preferred Stock Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to this Subsection 2.3.2(b), if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall redeem a pro rata portion of each holder’s shares of 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 to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares as soon as it may lawfully do so under the General Corporation Law governing distributions to stockholders, provided, however, that Excluded Shares (as such term is below) shall not be redeemed and shall be excluded from the calculations set forth in this sentence. Thereafter, any additional Available Proceeds shall be paid to the holders of shares of Preferred

Stock (other than Excluded Shares) to be redeemed pursuant to this Subsection 2.3.2(b) in an amount up to the Applicable Preferred Stock Liquidation Amount of such share of Preferred Stock as soon as it may lawfully do so under the General Corporation Law governing distributions to stockholders. The amount payable to the holders of shares of Preferred Stock to be redeemed pursuant to this Subsection 2.3.2(b), or such lesser amount payable pursuant to the preceding two sentences, is referred to herein as the applicable “**Redemption Price.**” 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. The Corporation shall send written notice of a redemption pursuant to this Subsection 2.3.2(b) (the “**Redemption Notice**”) to each holder of record of Preferred Stock not less than 20 days prior to the Redemption Date which notice shall contain instructions for the redemption contemplated by this Subsection 2.3.2(b) and the surrender of such holder’s stock certificates in connection therewith. If on the Redemption Date the applicable Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, all rights with respect to such shares of Preferred Stock shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the applicable Redemption Price without interest, upon surrender of their certificate or certificates therefor. If the Corporation receives, on or prior to the twentieth (20th) day after the date of delivery of the Redemption Notice to a holder of Preferred Stock, written notice from such holder that such holder elects to be excluded from the redemption provided in this Subsection 2.3.2, then the shares of Preferred Stock registered on the books of the Corporation in the name of such holder at the time of the Corporation’s receipt of such notice shall thereafter be “**Excluded Shares.**” Excluded Shares shall not be redeemed or redeemable pursuant to this Subsection 2.3.2, whether on such Redemption Date or thereafter

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, including a majority of the Preferred Directors (as defined below), including at least one Series A Director (as defined below).

2.3.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the “**Additional Consideration**”), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the “**Initial Consideration**”) shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1, and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the

Initial Consideration as part of the same transaction. For the purposes of this Subsection 2.3.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event or payable upon achievement of milestones or as royalties shall be deemed to be Additional Consideration.

3. Voting.

3.1 General; Classes and Voting. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Third Amended and Restated Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as converted to Common Stock basis.

3.2 Election of Directors. The holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the “**Series A Directors**”), the holders of record of the shares of Series B Preferred Stock, exclusively and as a separate class, shall be entitled to elect three (3) directors of the Corporation (the “**Series B Directors**”), the holders of record of the shares of Series C Preferred Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the “**Series C Director**,” and together with the Series A Directors and Series B Directors, the “**Preferred Directors**”), and the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation. 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, Series B Preferred Stock or Series C Preferred Stock fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, each 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, Series B Preferred Stock or Series C Preferred Stock, as applicable, 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. Notwithstanding the foregoing sentence, the initial Series C Directors may be appointed by the Board of Directors of the Corporation in connection with the approval of the initial issuance of the Series C Preferred Stock, without a separate action by the holders of the Series C Preferred Stock. The holders of record of the shares of Common Stock and of any other class or series of voting stock, including the Preferred Stock, exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise

provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Series C Preferred Stock Protective Provisions. At any time when any shares of Series C Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Third Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of Series C Preferred Stock then outstanding, given in writing or by vote at a meeting, consenting or voting (as the case may be) exclusively and as a separate class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.3.1 waive, amend, alter or repeal any provision of this Third Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that disproportionately (as compared with shares of any other series of Preferred Stock) adversely affects the powers, preferences or rights of the Series C Preferred Stock (including without limitation any consent rights contained in this Subsection 3.3); and

3.3.2 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 prior to making any such dividend or distribution on the Series C Preferred Stock, other than (i) repurchases of Common Stock or options to acquire Common Stock from former employees, officers, directors, consultants or other persons who performed services in connection with the cessation of their employment/services, pursuant to the provisions of existing plans or agreements at the lower of the original purchase price or the then-current fair market value thereof or (ii) redemptions of, or dividends or distributions on the Preferred Stock as expressly authorized herein;

provided, that the creation or issuance of a new series of senior preferred stock and correlative amendments to this Third Amended and Restated Certificate of Incorporation shall not in and of itself be considered disproportionately adverse to the rights, preferences or privileges of the Series C Preferred Stock.

3.4 Series B-1 Preferred Stock Protective Provisions. At any time when any shares of Series B-1 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 this Third Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the outstanding shares of Series B-1 Preferred Stock, given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.4.1 waive, amend, alter or repeal any provision of this Third Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that disproportionately (as compared with shares of any other series of Preferred Stock) adversely affects the powers, preferences or rights of the Series B-1 Preferred Stock (including without limitation any consent rights contained in this Subsection 3.4); and

3.4.2 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 prior to making any such dividend or distribution on the Series B-1 Preferred Stock, other than (i) repurchases of Common Stock or options to acquire Common Stock from former employees, officers, directors, consultants or other persons who performed services in connection with the cessation of their employment/services, pursuant to the provisions of existing plans or agreements at the lower of the original purchase price or the then-current fair market value thereof, (ii) the payment of declaration of a dividend to the Series B Preferred Stock on a pari passu basis with the Series B-1 Preferred Stock or (iii) redemptions of, or dividends or distributions on the Preferred Stock as expressly authorized herein;

provided, that the creation or issuance of a new series of senior preferred stock and correlative amendments to this Third Amended and Restated Certificate of Incorporation shall not in and of itself be considered disproportionately adverse to the rights, preferences or privileges of the Series B-1 Preferred Stock.

3.5 Series B Preferred Stock Protective Provisions. At any time when any shares of Series B Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Third Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the holders of at least sixty percent (60%) of the outstanding shares of Series B Preferred Stock, given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.5.1 waive, amend, alter or repeal any provision of this Third Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that disproportionately (as compared with shares of any other series of Preferred Stock) adversely affects the powers, preferences or rights of the Series B Preferred Stock (including without limitation any consent rights contained in this Subsection 3.5); and

3.5.2 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 prior to making any such dividend or distribution on the Series B Preferred Stock, other than (i) repurchases of Common Stock or options to acquire Common Stock from former employees, officers, directors, consultants or other persons who performed services in connection with the cessation of their employment/services, pursuant to the provisions of existing plans or agreements at the lower of the original purchase price or the then-current fair market value thereof, (ii) the payment of declaration of a dividend to the Series B-1 Preferred Stock on a pari passu basis with the Series B Preferred Stock, or (iii) redemptions of, or dividends or distributions on the Preferred Stock as expressly authorized herein;

provided, that the creation or issuance of a new series of senior preferred stock and correlative amendments to this Third Amended and Restated Certificate of Incorporation shall not in and of itself be considered disproportionately adverse to the rights, preferences or privileges of the Series B Preferred Stock.

3.6 Series A Preferred Stock Protective Provisions. At any time when any shares of 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 this Third Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of Series A Preferred Stock then outstanding, given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.6.1 waive, amend, alter or repeal any provision of this Third Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that disproportionately (as compared with shares of any other series of Preferred Stock) adversely affects the powers, preferences or rights of the Series A Preferred Stock (including without limitation any consent rights contained in this Subsection 3.6); and

3.6.2 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 prior to making any such dividend or distribution on the Series A Preferred Stock, other than (i) repurchases of Common Stock or options to acquire Common Stock from former employees, officers, directors, consultants or other persons who performed services in connection with the cessation of their employment/services, pursuant to the provisions of existing plans or agreements at the lower of the original purchase price or the then-current fair market value thereof, or (ii) redemptions of, or dividends or distributions on the Preferred Stock as expressly authorized herein;

provided, that the creation or issuance of a new series of senior preferred stock and correlative amendments to this Third Amended and Restated Certificate of Incorporation shall not in and of itself be considered disproportionately adverse to the rights, preferences or privileges of the Series A Preferred Stock.

3.7 Series Seed Preferred Stock Protective Provisions. At any time when any shares of Series Seed Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Third Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of Series Seed Preferred Stock then outstanding, given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.7.1 waive, amend, alter or repeal any provision of this Third Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that disproportionately (as compared with shares of any other series of Preferred Stock) adversely affects the powers, preferences or rights of the Series Seed Preferred Stock (including without limitation any consent rights contained in this Subsection 3.7); and

3.7.2 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 prior to making any such dividend or distribution on the Series Seed Preferred Stock, other than (i) repurchases of Common Stock or options to acquire Common Stock from former employees, officers, directors, consultants or other persons who performed services in connection with the cessation of their employment/services, pursuant to the provisions of existing plans or agreements at the lower of the original purchase price or the then-current fair market value thereof, or (ii) redemptions of, or dividends or distributions on the Preferred Stock as expressly authorized herein;

provided, that the creation or issuance of a new series of senior preferred stock and correlative amendments to this Third Amended and Restated Certificate of Incorporation shall not in and of itself be considered disproportionately adverse to the rights, preferences or privileges of the Series Seed Preferred Stock.

3.8 Preferred Stock Protective Provisions. At any time when shares of 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 this Third Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the Required Holders given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.8.1 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 or any subsidiary, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation;

3.8.2 effect any merger or consolidation with another entity or otherwise acquire another entity, whether through a merger or consolidation with such entity, the purchase of such entity's outstanding shares of capital stock, or the purchase, lease, exclusive license or other receipt by the Corporation or any of its subsidiaries, in a single transaction or series of related transaction, of all or substantially all of the assets of such entity;

3.8.3 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.8.4 waive, amend, alter or repeal any provision of this Third Amended and Restated Certificate of Incorporation or Bylaws of the Corporation;

3.8.5 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof;

3.8.6 (i) create or designate, or authorize the creation or designation of, or issue or obligate itself to issue, (x) any new class or series of shares of capital

stock of the Corporation, or (y) any security or debt convertible into, or exchangeable or exercisable for, an equity security of the Corporation other than any securities or debt convertible into, or exchangeable or exercisable for, shares of Common Stock; or (ii) increase the authorized number of shares of Preferred Stock (or of any series of Preferred Stock) or increase the authorized number of shares of any additional class or series of capital stock of the Corporation, in the case of each of clauses (i) and (ii) unless the same ranks junior to the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.8.7 reclassify, alter or amend (i) any existing security of the Corporation that is pari passu with any series of the Preferred Stock in respect of the rights, preferences, and privileges of such series of the Preferred Stock, if such reclassification, alteration or amendment would render such other security senior to such series of the Preferred Stock in respect of any such right, preference, or privilege or (ii) any existing security of the Corporation that is junior to any series of the Preferred Stock in respect of the rights, preferences, and privileges of such series of the Preferred Stock, if such reclassification, alteration or amendment would render such other security senior to or pari passu with such series of the Preferred Stock in respect of any such right, preference or privilege;

3.8.8 increase or decrease the authorized number of directors constituting the Board of Directors;

3.8.9 enter into or be a party to any transaction with any director, officer, or employee of the Corporation or any “associate” (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such director, officer, or employee, except for transactions made in the ordinary course of business and pursuant to reasonable requirements of the Corporation’s business and upon fair and reasonable terms that are approved by a majority of the Board of Directors;

3.8.10 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary;

3.8.11 create, or authorize the creation of, or issue, or authorize the issuance of any debt security or indebtedness for borrowed money (including capital leases) in excess of \$250,000, individually or in the aggregate, if not otherwise contemplated by a budget previously approved by the Board of Directors;

3.8.12 permit the Corporation (including its founders, officers, employees, consultants or agents), directly or indirectly (including through any subsidiary or affiliate), to take any of the following actions: (a) create, issue, sell, distribute or sponsor any cryptocurrency, decentralized application tokens, protocol tokens, blockchain-based assets or other cryptofinance coins, tokens or similar digital assets (“**Tokens**”), including, without limitation, through a Simple Agreement for Future Tokens, pre-sale, initial coin offering, token distribution event, “airdrop” or crowdfunding; (b) develop computer software or a computer

network either incorporating Tokens or permitting the generation of tokens by network participants; or (c) distribute any software developed by or for the Corporation under an open source license (such as an academic license);

3.8.13 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary;

3.8.14 issue any shares of Series A Preferred Stock; and

3.8.15 permit any direct or indirect subsidiary of the Corporation, to take any of the above actions under Subsections 3.8.1 through 3.8.13 or take any action with respect to any direct or indirect subsidiary of the Corporation, that if taken by the Corporation, would require approval pursuant to this Section 3.8.

4. Optional Conversion.

The holders of the Preferred Stock shall have conversion rights as follows (the “**Conversion Rights**”):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Applicable Original Issue Price by the Applicable Conversion Price (as defined below) in effect at the time of conversion. The “**Series Seed Conversion Price**” shall initially be equal to \$1.00. Such initial Series Seed Conversion Price, and the rate at which shares of Series Seed Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below. The “**Series A Conversion Price**” shall initially be equal to \$2.00. 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. The “**Series B Conversion Price**” shall initially be equal to \$4.06. 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. The “**Series B-1 Conversion Price**” shall initially be equal to \$6.5366. Such initial Series B-1 Conversion Price, and the rate at which shares of Series B-1 Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below. The “**Series C Conversion Price**” shall initially be equal to \$6.5366. Such initial Series C Conversion Price, and the rate at which shares of Series C Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below. The “**Applicable Conversion Price**” shall mean, as the context so requires, the Series Seed Conversion Price with respect to the Series Seed Preferred Stock, the Series A Conversion Price with respect to the Series A Preferred Stock, the Series B Conversion Price with respect to the Series B Preferred Stock, the Series B-1 Conversion Price with respect to the Series B-1 Preferred Stock and the Series C Conversion Price with respect to the Series C Preferred Stock.

4.1.2 Termination of Conversion Rights. In the event of a notice of redemption of any shares of Preferred Stock pursuant to Subsection 2.3.2(b), the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the last full day preceding the date fixed for redemption, unless the redemption price is not fully paid on such redemption date, in which case the Conversion Rights for such shares shall continue until such price is paid in full.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Third Amended and Restated Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Applicable Conversion Price below the then-applicable par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Applicable Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock (and the number of authorized shares of Preferred Stock of the applicable series) accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Applicable Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

or Convertible Securities.

(a) “**Option**” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock

(b) “**Original Issue Date**” shall mean the date on which the first share of Series C Preferred Stock was issued.

(c) “**Convertible Securities**” shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) “**Additional Shares of Common Stock**” shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, “**Exempted Securities**”):

- (i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock;
- (ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;
- (iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation, including the approval of a majority of the Preferred Directors, including at least one Series A Director;
- (iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security; or

- (v) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors of the Corporation, including the affirmative vote or consent of a majority of the Preferred Directors, including at least one Series A Director; provided, however, that such securities shall not be issued as part of any type of financing for general working capital purposes.

4.4.2 No Adjustment of Conversion Price. No adjustment in the Series C Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the shares of Series C Preferred Stock (voting exclusively and as a separate 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 B-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 outstanding shares of Series B-1 Preferred Stock (voting exclusively and as a separate 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 B Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least sixty percent (60%) of the outstanding shares of Series B Preferred Stock (voting exclusively and as a separate 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 A Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the shares of Series A Preferred Stock (voting exclusively and as a separate 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 Seed Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the shares of Series Seed Preferred Stock (voting exclusively and as a separate 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.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for

the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Applicable Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Applicable Conversion Price to an amount which exceeds the lower of (i) the Applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4.4.4, the Applicable Conversion Price shall be readjusted to such Applicable Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Applicable Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Applicable Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. Subject to Subsection 4.4.7, in the event the Corporation shall at any time after the 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 (i) the Series C Conversion Price in effect immediately prior to such issue, in the case of the Series C Preferred Stock, (ii) the Series B Conversion Price in effect immediately prior to such issue, in the case of the Series B Preferred Stock, (iii) the Series A Conversion Price in effect immediately prior to such issue, in the case of the Series A Preferred Stock, or (iv) the Series Seed Conversion Price in effect immediately prior to such issue, in the case of the Series Seed Preferred Stock, then the Series C Conversion Price, the Series B Conversion Price, the Series A Conversion Price or the Series Seed Conversion Price, as applicable, shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = (CP_1 * (A + B)) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP₂" shall mean the Applicable Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock

(b) "CP₁" shall mean the Applicable Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to 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 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

- (i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;
- (ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and
- (iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

- (i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or

Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

- (ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Applicable 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) days from the first such issuance to the final such issuance, then, upon the final such issuance, the Applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.4.7 Adjustment of Series B-1 Conversion Price Upon Issuance of Additional Shares of Common Stock. Notwithstanding anything to the contrary herein, in the event that the Company issues Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3) that results in the adjustment to the Series B Conversion Price pursuant to Subsection 4.4.4, then, and only then, the Series B-1 Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CPB-1 = CP_B * 1.61.$$

For purposes of the foregoing formula, the following definitions shall apply:

- (a) "CPB-1" shall mean the Series B-1 Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock

(b) "CP_B" shall mean the Series B Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock.

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the Applicable Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the Applicable 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 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 on the Common Stock in additional shares of Common Stock, then and in each such event the Applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter such Applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.5, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock. For the avoidance of doubt, nothing in this Subsection 4.8 shall be construed as preventing the holders of Preferred Stock from seeking any appraisal rights to which they are otherwise entitled under the General Corporation Law in connection with a merger triggering an adjustment hereunder, nor shall this Subsection 4.8 be deemed conclusive evidence of the fair value of the shares of the Preferred Stock in any such appraisal proceeding.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Applicable Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to

such holder a certificate setting forth (i) the Applicable Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least \$50,000,000 of proceeds, net of the underwriting discount and commissions, to the Corporation and following which shares of the Corporation's Common Stock are listed on the New York Stock Exchange or the Nasdaq Stock Market's National Market (a "**Qualified IPO**") or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Required Holders (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1 and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place

designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominee a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

7. Waiver. Except as otherwise required in this Certificate of Incorporation, (a) any of the rights, powers, preferences and other terms of the Preferred Stock that apply generally and equally to all series of Preferred Stock may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the Required Holders, and (b) any of the rights, powers, preferences and other terms of any series of the Preferred Stock that do not apply generally and equally to all series of Preferred Stock may be waived on behalf of all holders of Preferred Stock of such series by the affirmative written consent or vote of (i) with respect to the Series C Preferred Stock, the holders of at least a majority of the outstanding shares of Series C Preferred Stock (voting exclusively and as a separate class on an as-converted to Common Stock basis), (ii) with respect to the Series B Preferred Stock, the holders of at least sixty percent (60%) of the outstanding shares of Series B Preferred Stock (voting exclusively and as a separate class on an as-converted to Common Stock basis) and (iii) with respect to the Series B-1 Preferred Stock, Series A Preferred Stock or Series Seed Preferred Stock, as applicable, holders of a majority of the then-outstanding shares of such series of Preferred Stock (voting exclusively and as a separate class on an as-converted to Common Stock basis).

8. **Notices.** Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by this Third Amended and Restated 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 this Third Amended and Restated Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation. Each director shall be entitled to one vote on each matter presented to the Board of Directors.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: The following indemnification provisions shall apply to the persons enumerated below.

1. **Right to Indemnification of Directors and Officers.** The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "**Indemnified Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that such

person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article Tenth, the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

2. Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article Tenth or otherwise.

3. Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article Tenth is not paid in full within thirty (30) days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person who is not a director or officer of the Corporation in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

5. Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorneys' fees) incurred by a non-director or officer 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, by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

7. Other Indemnification. The Corporation shall be the indemnitor of first resort for any director who is entitled to indemnification and advancement pursuant to this Article Tenth (i.e., the Corporation's obligations to indemnify a director or officer shall be primary and any obligation of a current or former third party employer, partnership of which such director or officer is a partner, limited liability company of which such director or officer is a member or affiliate of such director or officer (any such person, an "**Indemnitor**"), to advance expenses or provide indemnification for the same expenses or liabilities incurred by such director or officer are secondary) and it shall be required to advance the full amount of expenses incurred by such director or officer and shall be liable for the full amount of expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by this Third Amended and Restated Certificate of Incorporation (or any other agreement between the Corporation and such director or officer), without regard to any rights such director or officer may have against any Indemnitor.

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 amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection hereunder of any director, officer, or other agent of the Corporation (i) existing at the time of such amendment, repeal or modification or (ii) with respect to any actual or alleged act, occurrence or omission that occurred prior to the time of such amendment, repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

ELEVENTH: The Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity (as defined below) and waives any claim that any Excluded Opportunity constitutes a corporate opportunity that should have been presented to the Corporation. 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 shares issued upon conversion thereof) or any partner, member, director, stockholder, employee, agent or affiliate of any stockholder other than someone who is an employee of the Corporation or any of its subsidiaries ((i) and (ii) collectively, "**Covered Persons**"), unless the Corporation demonstrates that such matter, transaction or interest was presented to, or acquired, created or developed by, or otherwise came 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. Furthermore, no Fund (as defined below) shall be liable to

the Corporation for any claim arising out of, or based upon, (i) the investment by the Fund in any entity competitive with the Corporation or (ii) actions taken by any advisor, partner, officer, or other representative of the Fund to assist any such competitive entity or otherwise. A “Fund” is an entity that is a holder of Preferred Stock and that is primarily in the business of investing in other entities, or an entity that manages such entity. No amendment or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any Covered Person for or with respect to any opportunities of which such Covered Person becomes aware prior to such amendment or repeal. Notwithstanding anything to the contrary contained elsewhere in this Third Amended and Restated Certificate of Incorporation, the affirmative vote of the Required Holders will be required to amend or repeal, or to adopt any provisions inconsistent with, this Article ELEVENTH.

TWELFTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or the Corporation’s certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any sentence of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation’s Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Third Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 11th day of March, 2020.

KYMERA THERAPEUTICS, INC.

By: /s/ Nello Mainolfi, Ph.D.

Name: Nello Mainolfi, Ph.D.

Title: President and Chief Executive Officer

AMENDED AND RESTATED BY-LAWS

of

KYMERA THERAPEUTICS, INC.**(the "Corporation")**

1. Stockholders

(a) Annual Meeting. The annual meeting of stockholders shall be held for the election of directors each year at such place, date and time as shall be designated by the Board of Directors. Any other proper business may be transacted at the annual meeting. If no date for the annual meeting is established or said meeting is not held on the date established as provided above, a special meeting in lieu thereof may be held or there may be action by written consent of the stockholders on matters to be voted on at the annual meeting, and such special meeting or written consent shall have for the purposes of these By-laws or otherwise all the force and effect of an annual meeting.

(b) Special Meetings. Special meetings of stockholders may be called by the Chief Executive Officer, if one is elected, or, if there is no Chief Executive Officer, a President, or by the Board of Directors, but such special meetings may not be called by any other person or persons. The call for the meeting shall state the place, date, hour and purposes of the meeting. Only the purposes specified in the notice of special meeting shall be considered or dealt with at such special meeting.

(c) Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present and vote at such meeting, and, in the case of a special meeting, the purpose or purposes of the meeting, shall be given by the Secretary (or other person authorized by these By-laws or by law) not less than ten (10) nor more than sixty (60) days before the meeting to each stockholder entitled to vote thereat and to each stockholder who, under the Certificate of Incorporation or under these By-laws is entitled to such notice. If mailed, notice is given when deposited in the mail, postage prepaid, directed to such stockholder at such stockholder's address as it appears in the records of the Corporation. Without limiting the manner by which notice otherwise may be effectively given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law (the "DGCL").

If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, 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 adjourned meeting are announced at the meeting at which the adjournment is taken, except that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(d) Quorum. The holders of a majority in interest of all stock issued, outstanding and entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, whether or not a quorum is present. The stockholders present at a duly constituted meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to reduce the voting shares below a quorum.

(e) Voting and Proxies. Except as otherwise provided by the Certificate of Incorporation or by law, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by either written proxy or by a transmission permitted by Section 212(c) of the DGCL, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period or is irrevocable and coupled with an interest. Proxies shall be filed with the Secretary of the meeting, or of any adjournment thereof. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting.

(f) Action at Meeting. When a quorum is present, any matter before the meeting shall be decided by vote of the holders of a majority of the shares of stock voting on such matter except where a larger vote is required by law, by the Certificate of Incorporation or by these By-laws. Any election of directors by stockholders shall be determined by a plurality of the votes cast, except where a larger vote is required by law, by the Certificate of Incorporation or by these By-laws. The Corporation shall not directly or indirectly vote any share of its own stock; provided, however, that the Corporation may vote shares which it holds in a fiduciary capacity to the extent permitted by law.

(g) Presiding Officer. Meetings of stockholders shall be presided over by the Chairman of the Board, if one is elected, or in his or her absence, the Vice Chairman of the Board, if one is elected, or if neither is elected or in their absence, a President. The Board of Directors shall have the authority to appoint a temporary presiding officer to serve at any meeting of the stockholders if the Chairman of the Board, the Vice Chairman of the Board or a President is unable to do so for any reason.

(h) Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the presiding officer 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 presiding officer 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 the chairman of the meeting shall determine; (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 presiding officer of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(i) Action without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted by law to be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office, by hand or by certified mail, return receipt requested, or to the Corporation's principal place of business or to the officer of the Corporation having custody of the minute book. Every written consent shall bear the date of signature and no written consent shall be effective unless, within sixty (60) days of the earliest dated consent delivered pursuant to these By-laws, written consents signed by a sufficient number of stockholders entitled to take action are delivered to the Corporation in the manner set forth in these By-laws. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

(j) Stockholder Lists. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (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. Nothing contained in this Section 1(j) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting in the manner provided by law. The list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law.

2. Directors

(a) Powers. The business of the Corporation shall be managed by or under the direction of a Board of Directors who may exercise all the powers of the Corporation except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

(b) Number and Qualification. Unless otherwise provided in the Certificate of Incorporation or in these By-laws, the number of directors which shall constitute the whole board shall be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

(c) Vacancies; Reduction of Board. A majority of the directors then in office, although less than a quorum, or a sole remaining Director, may fill vacancies in the Board of Directors occurring for any reason and newly created directorships resulting from any increase in the authorized number of directors. In lieu of filling any vacancy, the Board of Directors may reduce the number of directors.

(d) Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, directors shall hold office until their successors are elected and qualified or until their earlier resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

(e) Removal. To the extent permitted by law, a director may be removed from office with or without cause by vote of the holders of a majority of the shares of stock entitled to vote in the election of directors.

(f) Meetings. Regular meetings of the Board of Directors may be held without notice at such time, date and place as the Board of Directors may from time to time determine. Special meetings of the Board of Directors may be called, orally or in writing, by the Chief Executive Officer, if one is elected, or, if there is no Chief Executive Officer, the President, or by two or more Directors, designating the time, date and place thereof. Directors may participate in meetings of the Board of Directors by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting.

(g) Notice of Meetings. Notice of the time, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary, or Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the officer or one of the directors calling the meeting. Notice shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communications, sent to such director's business or home address at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to such director's business or home address at least forty-eight (48) hours in advance of the meeting.

(h) Quorum. At any meeting of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business. Less than a quorum may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice.

(i) Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, unless otherwise provided in the following sentence, a majority of the directors present may take any action on behalf of the Board of Directors, unless a larger number

is required by law, by the Certificate of Incorporation or by these By-laws. So long as there are two (2) or fewer Directors, any action to be taken by the Board of Directors shall require the approval of all Directors.

(j) Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the records of the meetings of the Board of Directors. 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.

(k) Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, establish one or more committees, each committee to consist of one or more 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 thereof 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 permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these By-laws.

Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but in the absence of such rules its business shall be conducted so far as possible in the same manner as is provided in these By-laws for the Board of Directors. All members of such committees shall hold their committee offices at the pleasure of the Board of Directors, and the Board may abolish any committee at any time.

3. Officers

(a) Enumeration. The officers of the Corporation shall consist of one or more Presidents (who, if there is more than one, shall be referred to as Co-Presidents), a Treasurer, a Secretary, and such other officers, including, without limitation, a Chief Executive Officer and one or more Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Vice Presidents, Assistant Treasurers and Assistant Secretaries, as the Board of Directors may determine. The Board of Directors may elect from among its members a Chairman of the Board and a Vice Chairman of the Board.

(b) Election. The Presidents, Treasurer and Secretary shall be elected annually by the Board of Directors at their first meeting following the annual meeting of stockholders. Other officers may be chosen by the Board of Directors at such meeting or at any other meeting.

(c) Qualification. No officer need be a stockholder or Director. Any two or more offices may be held by the same person. Any officer may be required by the Board of Directors to give bond for the faithful performance of such officer's duties in such amount and with such sureties as the Board of Directors may determine.

(d) Tenure. Except as otherwise provided by the Certificate of Incorporation or by these By-laws, each of the officers of the Corporation shall hold office until the first meeting of the Board of Directors following the next annual meeting of stockholders and until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer may resign by delivering his or her written resignation to the Corporation, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

(e) Removal. The Board of Directors may remove any officer with or without cause by a vote of a majority of the directors then in office.

(f) Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

(g) Chairman of the Board and Vice Chairman. Unless otherwise provided by the Board of Directors, the Chairman of the Board of Directors, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board of Directors. The Chairman of the Board shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

Unless otherwise provided by the Board of Directors, in the absence of the Chairman of the Board, the Vice Chairman of the Board, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board of Directors. The Vice Chairman of the Board shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

(h) Chief Executive Officer. The Chief Executive Officer, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

(i) Presidents. The Presidents shall, subject to the direction of the Board of Directors, each have general supervision and control of the Corporation's business and any action that would typically be taken by a President may be taken by any Co-President. If there is no Chairman of the Board or Vice Chairman of the Board, a President shall preside, when present, at all meetings of stockholders and the Board of Directors. The Presidents shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

(j) Vice Presidents and Assistant Vice Presidents. Any Vice President (including any Executive Vice President or Senior Vice President) and any Assistant Vice President shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

(k) Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. The Treasurer shall have custody of all funds, securities, and valuable documents of the Corporation, except as the Board of Directors may otherwise provide. The Treasurer shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time designate.

(l) Secretary and Assistant Secretaries. The Secretary shall record the proceedings of all meetings of the stockholders and the Board of Directors (including committees of the Board) in books kept for that purpose. In the absence of the Secretary from any such meeting an Assistant Secretary, or if such person is absent, a temporary secretary chosen at the meeting, shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation) and shall have such other duties and powers as may be designated from time to time by the Board of Directors.

Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time designate.

(m) Other Powers and Duties. Subject to these By-laws, each officer of the Corporation shall have in addition to the duties and powers specifically set forth in these By-laws, such duties and powers as are customarily incident to such officer's office, and such duties and powers as may be designated from time to time by the Board of Directors.

4. Capital Stock

(a) Certificates of Stock. Each stockholder shall be entitled to a certificate of the capital stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall be signed by a President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary. Such signatures may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law. The Corporation shall be permitted to issue fractional shares.

(b) Transfers. Subject to any restrictions on transfer (including, without limitation, Section 4(f) below), shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require.

(c) Record Holders. Except as may otherwise be 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 thereto, 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.

It shall be the duty of each stockholder to notify the Corporation of such stockholder's post office address.

(d) Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not precede the date on which it is established, and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, more than ten (10) days after the date on which the record date for stockholder consent without a meeting is established, nor more than sixty (60) days prior to any other action. In such case only stockholders of record on such record date shall be so entitled notwithstanding any transfer of stock on the books of the Corporation after the record date.

If no record date is fixed, (i) 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, (ii) the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in this state, to its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded, and (iii) 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 thereto.

(e) Lost Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

(f) Restrictions on Transfer.

(i) No holder of any of the shares of stock of the Corporation may sell, transfer, assign, pledge, or otherwise dispose of or encumber any of the shares of stock of the Corporation or any right or interest therein (including by way of any arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the stock), whether voluntarily or by operation of law, or by gift or otherwise (each, a “Transfer”) without the prior written consent of the Corporation, upon duly authorized action of its Board of Directors. The Corporation may withhold consent for any legitimate corporate purpose, as determined by the Board of Directors.

(ii) If a stockholder desires to Transfer any shares, then the stockholder will first give written notice to the Corporation. The notice must name the proposed transferee and state the number of shares to be transferred, the proposed consideration, and all other terms and conditions of the proposed transfer.

(iii) At the option of the Corporation, the stockholder will be obligated to pay to the Corporation a reasonable transfer fee related to the costs and time of the Corporation and its legal and other advisors related to any proposed Transfer.

(iv) Any Transfer, or purported Transfer, of shares not made in strict compliance with this Section will be null and void, will not be recorded on the books of the Corporation and will not be recognized by the Corporation.

(v) The foregoing restriction on Transfer will not apply to (A) the Transfer of shares of the Corporation’s preferred stock or to the Transfer of any shares of the Corporation’s common stock issued upon the conversion of any shares of the Corporation’s preferred stock; (B) Transfers to the Company, (C) Transfers of vested shares of the Corporation’s stock by gift to immediate family members or to a trust for the sole benefit of the stockholder and his or her immediate family members, or (D) Transfers of vested shares of the Corporation’s stock pursuant to a stockholder’s beneficiary designation, will or the laws of intestate succession, provided, in the case of the exceptions in clauses (C) and (D) that the transferee agrees in writing to be bound by the same transfer restrictions.

(vi) The foregoing restriction on Transfer will terminate upon the date securities of the Corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the SEC under the Securities Act of 1933, as amended (the “1933 Act”).

(vii) The certificates representing shares of common stock of the Corporation (other than shares of the Corporation’s common stock issued upon

the conversion of any shares of the Corporation's preferred stock) will bear on their face the following legend so long as the foregoing Transfer restrictions are in effect:

(viii) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A TRANSFER RESTRICTION, AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

5. Indemnification

(a) Definitions. For purposes of this Section 5:

(i) "Corporate Status" describes the status of a person who is serving or has served (A) as a Director of the Corporation, (B) as an Officer of the Corporation, (C) as a Non-Officer Employee of the Corporation, or (D) as a director, partner, trustee, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, foundation, association, organization or other legal entity for which such person is or was serving at the request of the Corporation. For purposes of this Section 5(a)(i), a Director, Officer or Non-Officer Employee of the Corporation who is serving or has served as a director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, "Corporate Status" shall not include the status of a person who is serving or has served as a director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person's activities prior to said transaction, unless specifically authorized by the Board of Directors or the stockholders of the Corporation;

(ii) "Director" means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(iii) "Disinterested Director" means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding;

(iv) "Expenses" means all reasonable attorneys fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(v) "Liabilities" means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;

(vi) "Non-Officer Employee" means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;

(vii) "Officer" means any person who serves or has served the Corporation as an officer of the Corporation appointed by the Board of Directors of the Corporation;

(viii) "Proceeding" means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitral or investigative; and

(ix) "Subsidiary" shall mean any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) 50% or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) 50% or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

(b) Indemnification of Directors and Officers. Subject to the operation of Section 5(d) of these By-laws, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), and to the extent authorized in subsections (i) through (iv) of this Section 5(b).

(i) Actions, Suits and Proceedings Other than By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses and Liabilities that are incurred or paid by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein (other than an action by or in the right of the Corporation), which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(ii) Actions, Suits and Proceedings By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses that are incurred by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein by or in the right of the Corporation, which such Director or

Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be made under this Section 5(b)(ii) in respect of any claim, issue or matter as to which such Director or Officer shall have been finally adjudged by a court of competent jurisdiction to be liable to the Corporation, unless, and only to the extent that, the Court of Chancery or another court in which such Proceeding was brought shall determine upon application that, despite adjudication of liability, but in view of all the circumstances of the case, such Director or Officer is fairly and reasonably entitled to indemnification for such Expenses that such court deems proper.

(iii) Survival of Rights. The rights of indemnification provided by this Section 5(b) shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives.

(iv) Actions by Directors or Officers. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding (including any parts of such Proceeding not initiated by such Director or Officer) was authorized in advance by the Board of Directors of the Corporation, unless such Proceeding was brought to enforce such Officer's or Director's rights to indemnification or, in the case of Directors, advancement of Expenses under these By-laws in accordance with the provisions set forth herein.

(c) Indemnification of Non-Officer Employees. Subject to the operation of Section 5(d) of these By-laws, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses and Liabilities that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee's Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 5(c) shall exist as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized in advance by the Board of Directors of the Corporation.

(d) Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Section 5 to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in good faith and in a manner

such person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal Proceeding, such person had no reasonable cause to believe his or her conduct was unlawful. Such determination shall be made by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (ii) a committee comprised of Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors (even though less than a quorum), (iii) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so directs, by independent legal counsel in a written opinion, or (iv) by the stockholders of the Corporation.

(e) Advancement of Expenses to Directors Prior to Final Disposition.

(i) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director's Corporate Status within thirty (30) days after the receipt by the Corporation of a written statement from such Director requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director and shall be preceded or accompanied by an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding (including any parts of such Proceeding not initiated by such Director) was (A) authorized by the Board of Directors of the Corporation, or (B) brought to enforce such Director's rights to indemnification or advancement of Expenses under these By-laws.

(ii) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within thirty (30) days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such advancement of Expenses under this Section 5 shall not be a defense to an action brought by a Director for recovery of the unpaid amount of an advancement claim and shall not create a presumption that such advancement is not permissible. The burden of proving that a Director is not entitled to an advancement of expenses shall be on the Corporation.

(iii) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Director has not met any applicable standard for indemnification set forth in the DGCL.

(f) Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(i) The Corporation may, at the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Officer or any Non-Officer Employee in connection with any Proceeding in which such person is involved by reason of his or her Corporate Status as an Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Officer or Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such person to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(ii) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the DGCL.

(g) Contractual Nature of Rights.

(i) The provisions of this Section 5 shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Section 5 is in effect, in consideration of such person's past or current and any future performance of services for the Corporation. Neither amendment, repeal or modification of any provision of this Section 5 nor the adoption of any provision of the Certificate of Incorporation inconsistent with this Section 5 shall eliminate or reduce any right conferred by this Section 5 in respect of any act or omission occurring, or any cause of action or claim that accrues or arises or any state of facts existing, at the time of or before such amendment, repeal, modification or adoption of an inconsistent provision (even in the case of a proceeding based on such a state of facts that is commenced after such time), and all rights to indemnification and advancement of Expenses granted herein or arising out of any act or omission shall vest at the time of the act or omission in question, regardless of when or if any proceeding with respect to such act or omission is commenced. The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Section 5 shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

(ii) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty (60) days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such indemnification under this Section 5 shall not be a defense to an action brought by a Director or Officer for recovery of the unpaid amount of an indemnification claim and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(iii) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the DGCL.

(h) Non-Exclusivity of Rights. The rights to indemnification and advancement of Expenses set forth in this Section 5 shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Certificate or these By-laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

(i) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the provisions of this Section 5.

(j) Other Indemnification. The Corporation's obligation, if any, to indemnify or provide advancement of Expenses to any person under this Section 5 as a result of such person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification or advancement of Expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise (the "Primary Indemnitor"). Any indemnification or advancement of Expenses under this Section 5 owed by the Corporation as a result of a person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall only be in excess of, and shall be secondary to, the indemnification or advancement of Expenses available from the applicable Primary Indemnitor(s) and any applicable insurance policies.

6. Miscellaneous Provisions

(a) Fiscal Year. Except as otherwise determined by the Board of Directors, the fiscal year of the Corporation shall end on December 31 of each year.

(b) Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

(c) Execution of Instruments. Subject to any limitations which may be set forth in a resolution of the Board of Directors, all deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without director action may be executed on behalf of the Corporation by, a President, or by any other officer, employee or agent of the Corporation as the Board of Directors may authorize.

(d) Voting of Securities. Unless the Board of Directors otherwise provides, a President, any Vice President or the Treasurer may waive notice of and act on behalf of this Corporation, or appoint another person or persons to act as proxy or attorney in fact for this Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by this Corporation.

(e) Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

(f) Corporate Records. The original or attested copies of the Certificate of Incorporation, By-laws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock and transfer records, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, shall be kept at the principal office of the Corporation, at the office of its counsel, or at an office of its transfer agent.

(g) 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.

(h) Amendments. These By-laws may be altered, amended or repealed, and new By-laws may be adopted, by the stockholders or by the Board of Directors; provided, that (a) the Board of Directors may not alter, amend or repeal any provision of these By-laws which by law, by the Certificate of Incorporation or by these By-laws requires action by the stockholders and (b) any alteration, amendment or repeal of these By-laws by the Board of Directors and any new By-law adopted by the Board of Directors may be altered, amended or repealed by the stockholders.

(i) Waiver of Notice. Whenever notice is required to be given under any provision of 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 or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. 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. Neither the business to be transacted at, nor the purpose of, any meeting needs to be specified in any written waiver or any waiver by electronic transmission.

Adopted November 1, 2018

SECOND AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS SECOND AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of March 11, 2020, by and among Kymera Therapeutics, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**".

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of the Company's Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and/or shares of Common Stock issued upon conversion thereof and possess registration rights, information rights, rights of first offer and other rights pursuant to that certain Investors' Rights Agreement, dated as of May 9, 2019, by and among the Company and such Existing Investors (the "**Prior Agreement**");

WHEREAS, the Existing Investors desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, certain of the Investors are parties to that certain Series C Preferred Stock Purchase Agreement of even date herewith by and among the Company and such Investors (the "**Purchase Agreement**"), under which certain of the Company's and such Investors' obligations are conditioned upon the execution and delivery of this Agreement by such Investors, the Existing Investors and the Company.

NOW, THEREFORE, the Existing Investors hereby agree that the Prior Agreement shall be amended and restated, and the parties to this Agreement further agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund, registered investment company, investment fund or account now or hereafter existing that is controlled by one or more general partners, managing members or investment adviser of, or shares the same management company or investment adviser with, such Person. For clarity, no Investor shall be considered to be an Affiliate of the Company.

1.2 "**Board of Directors**" means the board of directors of the Company.

1.3 "**BVF**" means Biotechnology Value Fund, LP.

1.4 "**Certificate of Incorporation**" means the Company's Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

1.5 “**Common Stock**” means shares of the Company’s common stock, par value \$0.0001 per share.

1.6 “**Competitor**” means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in the field of using targeted protein degradation for human therapeutic use, but shall not include (i) any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than thirty percent (30%) of the outstanding equity of any Competitor, (ii) each Investor as long as (A) such Investor continues to conduct its business in a similar manner as currently conducted as of the date hereof (as determined in good faith by a majority of the Preferred Directors, including at least one Series A Director) and (B) after the date hereof, such Investor does not become an Affiliate of or a holder of thirty percent (30%) or more of the outstanding equity of any Person otherwise deemed a Competitor, (iii) Bessemer Venture Partners IX L.P., Bessemer Venture Partners IX Institutional L.P. and their Affiliates (collectively, “**BVP**”), (iv) Pfizer Inc. (“**Pfizer**”) and its Affiliates, (v) MRL Venture Funds, LLC (“**MRL Ventures**”) and its Affiliates, (vi) Atlas Venture Fund X, L.P. and its Affiliates, (vii) Lilly Ventures Fund I, LLC and its Affiliates, (viii) Amgen Ventures LLC (“**Amgen**”) and its Affiliates, (ix) Genzyme Corporation (“**Genzyme**”) and its Affiliates, (x) Hatteras Venture Partners (“**Hatteras Venture Partners**”) and its Affiliates, (xi) 6 Dimensions Capital, L.P., 6 Dimensions Capital Affiliates Fund, L.P. and their Affiliates (collectively, “**6 Dimensions**”), (xii) BVF and its Affiliates; (xiii) Janus Henderson Global Life Sciences Fund and Janus Henderson Biotech Innovation Master Fund Limited (collectively, “**Janus**”) and their Affiliates; (xiv) Redmile Group, LLC (“**Redmile**”) and its Affiliates, (xv) the Wellington Investor (as defined below) and its Affiliates, (xvi) Rock Springs Capital Master Fund LP (“**Rock Springs**”) and its Affiliates, and (xvii) Bain Capital Life Sciences Fund II, L.P. and BCIP Life Sciences Associates, LP (collectively “**Bain**”) and its Affiliates.

1.7 “**Damages**” means any loss, damage, claim, or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim, or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.8 “**Derivative Securities**” means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.9 “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.10 “**Excluded Registration**” means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not permit substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.11 “**FOIA Party**” means a Person that, in the determination of the Board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 (“**FOIA**”), any state public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.12 “**Form S-1**” means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.13 “**Form S-3**” means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits forward incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.14 “**GAAP**” means generally accepted accounting principles in the United States as in effect from time to time.

1.15 “**Holder**” means any holder of Registrable Securities who is a party to this Agreement.

1.16 “**Immediate Family Member**” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships of a natural person referred to herein.

1.17 “**Initiating Holders**” means, collectively, Holders who properly initiate a registration request under this Agreement.

1.18 “**IPO**” means the Company’s first underwritten public offering of its Common Stock under the Securities Act.

1.19 “**Key Employee**” means any executive-level employee (including vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property (as defined in the Purchase Agreement).

1.20 “**Major Series A Investor**” means each of Atlas Venture Fund X, L.P. and its Affiliates and Lilly Ventures Fund I, LLC and its Affiliates.

1.21 “**Major Series B Investor**” means each of (i) 6 Dimensions Capital, L.P., 6 Dimensions Capital Affiliates Fund, L.P. and their Affiliates, (ii) Pfizer Inc. and (iii) Bessemer Venture Partners IX Institutional L.P. and its Affiliates.

1.22 “**Major Series C Investor**” means each of (i) BVF and its Affiliates, (ii) Redmile and its Affiliates, (iii) the Wellington Investor and its Affiliates, (iv) Baker Bros. and their Affiliates.

1.23 “**Major Investor**” means any Investor that, individually or together with such Investor’s Affiliates, holds at least fifty percent (50%) of that number of shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) held by such Investor as of the date hereof, provided that such Investor holds at least 700,000 shares. For the avoidance of doubt, Vertex Pharmaceuticals Incorporated shall not be considered to be a Major Investor.

1.24 “**New Securities**” means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.25 “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.26 “**Preferred Director**” means each of the individuals designated for election to the Board in accordance with Subsections 1.2(a) through (e) of that certain Voting Agreement, dated as of the date hereof, by and among the Company and the other parties named therein, if and as applicable.

1.27 “**Preferred Stock**” means, collectively, shares of Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock.

1.28 “**Registrable Securities**” means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, held by the Investors as of the date hereof or acquired by the Investors after the date hereof; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

1.29 “**Registrable Securities then outstanding**” means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.30 “**Required Holders**” means the Investors holding at least fifty-five percent (55%) of the Common Stock issuable or issued upon conversion of the Preferred Stock held by the Investors, which Investors shall include (i) at least one Major Series A Investor, (ii) at least one Major Series B Investor and (iii) at least one Major Series C Investor.

1.31 “**Restricted Securities**” means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.32 “**SEC**” means the Securities and Exchange Commission.

1.33 “**SEC Rule 144**” means Rule 144 promulgated by the SEC under the Securities Act.

1.34 “**SEC Rule 145**” means Rule 145 promulgated by the SEC under the Securities Act.

1.35 “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.36 “**Selling Expenses**” means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.37 “**Series A Director**” means any director of the Company that holders of record of the Series A Preferred Stock are entitled to elect, exclusively and as a separate class, pursuant to the Certificate of Incorporation.

1.38 “**Series A Preferred Stock**” means shares of the Company’s Series A Preferred Stock, par value \$0.0001 per share.

1.39 “**Series B Director**” means any director of the Company that holders of record of the Series B Preferred Stock are entitled to elect, exclusively and as a separate class, pursuant to the Certificate of Incorporation.

1.40 “**Series B Preferred Stock**” means shares of the Company’s Series B Preferred Stock, par value \$0.0001 per share.

1.41 “**Series B-1 Preferred Stock**” means shares of the Company’s Series B-1 Preferred Stock, par value \$0.0001 per share.

1.42 “**Series C Preferred Stock**” means shares of the Company’s Series C Preferred Stock, par value \$0.0001 per share.

1.43 “**Series Seed Preferred Stock**” means shares of the Company’s Series Seed Preferred Stock, par value \$0.0001 per share.

1.44 “**Vertex Participation Agreement**” means that certain Participation Agreement by and between the Company and Vertex Pharmaceuticals dated as of May 9, 2019.

1.45 “**Wellington Investor**” means Wellington Biomedical Innovation Master Investors (Cayman) I L.P.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from the Required Holders that the Company file a Form S-1 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price of at least \$10,000,000 (prior to deduction of Selling Expenses), then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the “**Demand Notice**”) to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least five percent (5%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price of at least \$2,000,000 (prior to deduction of Selling Expenses), then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company’s chief executive officer stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the

Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than sixty (60) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than twice in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such sixty (60) day period other than pursuant to (x) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (y) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (z) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a)(i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two registrations pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d); provided, that if such withdrawal is during a period the Company has deferred taking action pursuant to Subsection 2.1(c), then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Subsection 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The

Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein; provided, however, that the liability of each Holder of Registrable Securities in respect of any indemnification, contribution or other obligation of such Holder arising under such underwriting agreement (i) shall be limited to losses arising out of or based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, incorporated document or other such disclosure document or other document or report, in reliance upon and in conformity with written information furnished to the Company by or on behalf of, and relating to, such Holder expressly for inclusion therein and (ii) shall not in any event exceed an amount equal to the net proceeds to such Holder (after deduction of all underwriters' discounts and commissions paid by such Holder) from the disposition of the Registrable Securities disposed of by such Holder pursuant to such registration. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)), enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then

only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company; provided, however, that the liability of each Holder of Registrable Securities in respect of any indemnification, contribution or other obligation of such Holder arising under such underwriting agreement (i) shall be limited to losses arising out of or based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, incorporated document or other such disclosure document or other document or report, in reliance upon and in conformity with written information furnished to the Company by or on behalf of, and relating to, such Holder expressly for inclusion therein and (ii) shall not in any event exceed an amount equal to the net proceeds to such Holder (after deduction of all underwriters' discounts and commissions) from the disposition of the Registrable Securities disposed of by such Holder pursuant to such registration. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below twenty percent (20%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of

the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended at the request of the Initiating Holders, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2 or pursuant to an IPO, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed \$65,000 with respect to any one registration, of one counsel for the selling Holders or, in the case of an IPO, the Major Investors ("**Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls or is alleged to control such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of and relating to any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of and relating to such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which

a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Unless otherwise expressly superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies) and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of Required Holders, enter into any agreement with any holder or prospective holder of any securities of the Company that would (i) allow such holder or prospective holder to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to Registrable Securities acquired by any additional Investor that becomes a party to this Agreement in accordance with Subsection 6.9.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO and ending on the date

specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2241(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for the IPO or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall apply only to the IPO, shall not apply (x) to the sale of any shares to an underwriter pursuant to an underwriting agreement, (y) the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, or (z) any securities acquired by the Investor in the IPO or in an open-market transaction following the effectiveness of the registration statement for the IPO, and shall be applicable to the Holders only if all officers, all directors, and all stockholders individually or together with their Affiliates owning more than one percent (1%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock). The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreement. If any of the obligations described in this Subsection 2.11 are waived or terminated with respect to any of the securities of any such Holder, officer, director or greater than one percent stockholder, the foregoing provisions shall be waived or terminated, as applicable, on a pro rata basis for each other Holder, director, officer or greater than one percent stockholder subject to such obligations.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

The foregoing legend shall be removed from the certificates representing any Restricted Securities, at the request of the holder thereof, at such time as (a) a period of at least one year, as determined in accordance with paragraph (d) of SEC Rule 144, has elapsed since the later of the date the Restricted Securities were acquired from the Company or an affiliate of the Company, and (b) the Restricted Securities become eligible for resale pursuant to SEC Rule 144(b)(1)(i).

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer; provided that no such notice shall be required of such sale, pledge or transfer complies with SEC Rule 144. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the

Company. The Company will not require such a legal opinion or “no action” letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation;

(b) such time after consummation of the IPO and the lapse of the transfer restrictions contemplated by Subsection 2.11 as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder’s shares without limitation during a three-month period without registration; and

(c) the fifth (5th) anniversary of the IPO.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor (provided that the Board of Directors has not reasonably determined that such Investor is a Competitor):

(a) as soon as practicable, but in any event within one hundred eighty (180) days after the end of each fiscal year of the Company, (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and (iii) a statement of stockholders’ equity as of the end of such year, prepared in accordance with GAAP, with all such financial statements audited and certified by an independent public accounting firm of nationally recognized standing selected by the Board of Directors, with the approval of a majority of the Preferred Directors, including at least one Series A Director.

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders’ equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, a statement showing the number of shares

of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company, and certified by the proper authorized officers of the Company as being true, complete, and correct;

(d) as soon as reasonably practicable, but in any event within forty-five (45) days following the end of each fiscal year, the capital and operating budget of the Company and its subsidiaries for the next fiscal year, setting forth revenue, anticipated expenses and cash position on a monthly basis as approved by the Board of Directors (provided that such capital and operating budget shall be approved by the Board of Directors no later than thirty (30) days following the end of the fiscal year immediately preceding the fiscal year to which such budget applies); and

(e) such other information relating to the financial condition, capitalization, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 3.1 to provide information (i) that is a trade secret or highly confidential information, as determined by the Board of Directors in good faith, including a majority of the Preferred Directors, including at least one Series A Director (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date sixty (60) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor) and such Major Investor's accountants, at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any

information that is a trade secret or highly confidential information, as determined by the Board of Directors in good faith, including a majority of the Preferred Directors, including at least one Series A Director (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights.

(a) As long as MRL Ventures owns not less than 600,000 shares of Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), the Company shall invite a representative of MRL Ventures to attend all meetings of the Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence and trust with respect to all information so provided (in a manner consistent with the confidentiality obligations of a director of a Delaware corporation); and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or in a conflict of interest, or if such Investor or its representative is a Competitor.

(b) As long as Hatteras Venture Partners owns not less than 600,000 shares of Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), the Company shall invite a representative of Hatteras Venture Partners to attend all meetings of the Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence and trust with respect to all information so provided (in a manner consistent with the confidentiality obligations of a director of a Delaware corporation); and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets result in a conflict of interest, or if such Investor or its representative is a Competitor.

(c) As long as Genzyme owns not less than 600,000 shares of Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), the Company shall invite a representative of Sanofi Ventures to attend all meetings of the Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence and trust with respect to all information so provided (in a manner consistent with the confidentiality obligations of a director of a Delaware corporation); and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or result in a conflict of interest, or if such Investor or its representative is a Competitor.

3.4 Termination of Information and Observer Rights. The covenants set forth in Subsections 3.1, 3.2 and 3.3 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

3.5 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 3.5 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without, to such Investor's knowledge, a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary or reasonably appropriate to obtain their services in connection with monitoring, and making decisions with respect to, its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Subsection 3.5; (iii) to any existing or prospective Affiliate, limited partner, partner, partner of partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, regulation, rule, court order or subpoena, provided that such Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure (at the Company's expense). This Subsection 3.5 shall replace and supersede in full any prior existing confidentiality or non-disclosure agreement in place between the Company and each Investor or an Affiliate thereof pertaining to the purchase and sale of the Company's securities as of the date hereof. The covenants set forth in this Subsection 3.5 shall terminate and be of no further force or effect upon the earlier to occur of (i) immediately before the consummation of the IPO or (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Major Investor ("**Investor Beneficial Owners**"); provided that each such Affiliate or Investor Beneficial Owner (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities

is otherwise consented to by the Board of Directors, (y) agrees to enter into this Agreement and each of the Voting Agreement and Right of First Refusal and Co-Sale Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an “**Investor**” under each such agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights as a Major Investor under Subsections 3.1, 3.2 and 4.1 hereof), and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the Major Investor holding the fewest number of Preferred Stock and any other Derivative Securities.

(a) The Company shall give notice (the “**Offer Notice**”) to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and any other Derivative Securities then outstanding). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a “**Fully Exercising Investor**”) of any other Major Investor’s failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of ninety (90) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Subsection 4.1.

The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Certificate of Incorporation); (ii) shares of Common Stock issued in the IPO, or (iii) any New Securities which are subject to Vertex Pharmaceuticals Incorporated's investment rights pursuant to the Vertex Participation Agreement, it being acknowledged and agreed that (x) the rights provided to Vertex Pharmaceuticals Incorporated pursuant to such Vertex Participation Agreement do not and will not limit the participation rights of the Major Investors as provided for in Section 4 hereof and (y) any New Securities which are subject to Vertex Pharmaceuticals Incorporated's investment rights pursuant to the Vertex Participation Agreement shall be deemed included in the aggregate number of New Securities available for purchase by the Major Investors under Section 4.1(b) for purposes of calculating such Major Investors' right to purchase New Securities hereunder.

4.2 Termination. The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, or (ii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

5. Additional Covenants.

5.1 Insurance. The Company shall maintain its Directors and Officers liability insurance, in an amount and on terms and conditions satisfactory to the Board of Directors (including a majority of the Preferred Directors, including at least one Series A Director), and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors determines that such insurance should be discontinued. Notwithstanding the foregoing, the Company shall at all times maintain Directors and Officers liability insurance with coverage of at least \$3,000,000 prior to initiation of any clinical trials by or on behalf of the Company and at least \$5,000,000 thereafter. The Company shall notify each Preferred Director each year on or before February 15 of such year that the Company's Directors and Officers liability insurance then remains in full force and effect in accordance with this Subsection 5.1.

5.2 Employee Agreements. The Company will cause (i) each Person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement; and (ii) each Key Employee to enter into a one (1) year nonsolicitation agreement, substantially in the form approved by the Board of Directors. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without approval of the Board of Directors.

5.3 Employee Stock. Unless otherwise approved by the Board of Directors (including a majority of the Preferred Directors, including at least one Series A Director), all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting

following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, and (ii) a market stand-off provision substantially similar to that in Subsection 2.11. Without the prior approval by the Board of Directors (including a majority of the Preferred Directors, including at least one Series A Director), the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Subsection 5.3. In addition, unless otherwise approved by the Board of Directors (including a majority of the Preferred Directors, including at least one Series A Director), the Company shall retain (and not waive) a “right of first refusal” on employee transfers until the Company’s IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Matters Requiring Investor Director Approval. So long as the holders of Preferred Stock are entitled to elect a Preferred Director, the Company hereby covenants and agrees with each of the Investors that it shall not, without approval of the Board of Directors, which approval must include the affirmative vote of a majority of the Preferred Directors, including at least one Series A Director:

(a) make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;

(b) make, or permit any subsidiary to make, any loan or advance to any Person, including, without limitation, any employee or director of the Company or any subsidiary, except advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board of Directors;

(c) guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(d) make any investment inconsistent with any investment policy approved by the Board of Directors;

(e) incur any indebtedness that is not already included in a budget approved by the Board of Directors, other than trade credit incurred in the ordinary course of business;

(f) hire, terminate, or change the compensation of the executive officers, including approving any option grants or stock awards to executive officers;

(g) change the principal business of the Company, enter new lines of business, or exit the current line of business;

(h) sell, assign, license, pledge, or encumber material technology or intellectual property, other than licenses granted in the ordinary course of business; or

(i) enter into any corporate strategic relationship involving the payment, contribution, or assignment by the Company or to the Company of money or assets greater than \$2,500,000.

5.5 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least quarterly in accordance with an agreed-upon schedule. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors (or any committee thereof). The Company will maintain an audit and compensation committee, each of which shall consist solely of non-management directors. Each Board of Directors committee shall include at least one Series B Director.

5.6 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Certificate of Incorporation, or elsewhere, as the case may be.

5.7 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each a "**Fund Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their Affiliates (collectively, the "**Fund Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (i.e., its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company. The Fund Directors and the Fund Indemnitors are intended third-party beneficiaries of this Subsection 5.7 and shall have the right, power and authority to enforce the provisions of this Subsection 5.7 as though they were a party to this Agreement.

5.8 FCPA. The Company represents that it shall not (and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, offer authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to or for the benefit of any third party, including any foreign official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “**FCPA**”)), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) and written policies to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law and to ensure that all books and records of the Company and its subsidiaries accurately and fairly reflect, in reasonable detail, all transactions and dispositions of funds and assets. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Investor if the Company becomes aware of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the FCPA or any other anti-corruption law. The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use its best efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.9 Right to Conduct Activities. The Company hereby agrees and acknowledges that each Investor (together with its respective Affiliates) is a professional investment organization and as such reviews the business plans and related proprietary information of many enterprises and invests 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) or have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from maintaining, making or considering such investments or participating in any particular enterprise whether or not such enterprise is a competitive company or from otherwise operating in the ordinary course of business. The Company hereby agrees that, to the extent permitted under applicable law, such Investor (and its Affiliates) shall not be liable to the Company for any claim arising out of, or based upon, (a) the investment by such Investor (or its Affiliates) in any competitive company, or (b) actions taken by any partner, officer or other representative of such Investor (or its Affiliates) to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such Competitor or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (i) any of the Investors from liability associated with the unauthorized disclosure of the Company’s confidential information obtained pursuant to this Agreement, or (ii) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.10 Export. The Company agrees to inform each Major Investor, MRL Ventures and BVP if the Company does conduct, or expects to conduct, operations from or do business directly or indirectly in or with Cuba, Northern Ireland, Myanmar, Iran, or Sudan.

5.11 Munitions. The Company covenants not to control any weapon or explosive device, nuclear or otherwise.

5.12 Termination of Covenants. The covenants set forth in this Section 5, except for Subsections 5.6 and 5.7, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 500,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations) or less if all remaining Registrable Securities of the transferor are transferred to such transferee; provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall

constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices.

(a) All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid (for addresses in the United States of America); or (iv) one (1) business day after deposit with a nationally recognized overnight courier (for addresses in the United States of America) or three (3) business days after deposit with an internationally recognized overnight courier (for addresses outside the United States of America), in each case, freight prepaid, specifying next business day delivery (or, for addresses outside the United States of America, next available business day), with written verification of receipt. All communications shall be sent to the respective parties only at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5. If notice is given to the Company, a copy shall also be sent to Goodwin Procter LLP, 100 Northern Avenue, Boston, MA 02210, Attn: William D. Collins, Esq. If notice is given to the Investors, a copy shall also only be given to such person or entity listed under the Investor's name on Schedule A.

(b) Consent to Electronic Notice. Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "DGCL"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address or the facsimile number set forth below such Investor's name on the Schedule A hereto, as updated from time to time by notice to the Company, or as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted Electronic Notice shall be ineffective and deemed to not have been given. Each Investor agrees to promptly notify the Company of any change in such stockholder's electronic mail address, and that failure to do so shall not affect the foregoing.

6.6 Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the Required Holders; provided that the Company may in

its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); provided further, that in the event of a waiver of the rights of the Major Investors under the provisions of Section 4 with respect to a financing transaction, to the extent that any Major Investor nonetheless purchases New Securities being issued in such financing transaction after such waiver has been obtained (any such Investor, a "**Participating Investor**"), then each other Major Investor shall be permitted to purchase up to the same percentage (not to exceed 100%) of its pro rata share of New Securities issued in such financing transaction as the percentage of the pro rata share of the New Securities so purchased by the Participating Investor purchasing the largest portion of such Participating Investor's pro rata share in such financing transaction; provided further, that the definition of "Competitor" in Subsection 1.6 may not be amended or waived in a manner adverse to any Investor named in such definition without the written consent of such Investor; and provided further that (i) any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party; (ii) Subsections 5.10 and 5.11 may not be amended, modified, terminated or waived without the approval of BVP; and (iii) Subsection 2.11 and this clause (iii) may not be amended, modified, terminated or waived in a matter adverse to Wellington, in its sole discretion, without the approval of Wellington. Notwithstanding the foregoing, (a) this Agreement may not be amended, modified or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, modification, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction), (b) Subsection 3.3(a) and this Subsection 6.6(b) shall not be amended, modified, terminated or waived without the written consent of MRL Ventures, (c) Subsection 3.3(b) and this Subsection 6.6(c) shall not be amended, modified, terminated or waived without the prior written consent of Hatteras Ventures, and (d) Subsection 3.3(c) and this Subsection 6.6(d) shall not be amended, modified, terminated or waived without the prior written consent of Genzyme. Notwithstanding the foregoing, Schedule A hereto may be amended by the Company from time to time to add transferees of any Registrable Securities in compliance with the terms of this Agreement without the consent of the other parties; and Schedule A hereto may also be amended by the Company after the date of this Agreement without the consent of the other parties to add information regarding any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9. The Company shall give prompt notice of any amendment, modification, or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision. The prior written consent of the holders of at least sixty percent (60%) of the then-outstanding shares of Series B Preferred Stock (such holders to include Pfizer) shall be required for any amendment, modification or waiver of the provisions of Subsections 5.1, 5.8 and 5.9.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Preferred Stock after the date hereof, whether pursuant to the Purchase Agreement or otherwise, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 Entire Agreement. Except as otherwise agreed in writing, this Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any prior written or oral agreement relating to the subject matter hereof between the parties is expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated in its entirety as set forth in this Agreement.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the District of Delaware or any court of the State of Delaware having subject matter jurisdiction.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE

FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Second Amended and Restated Investors' Rights Agreement as of the date first written above.

KYMERA THERAPEUTICS, INC.

By: /s/ Nello Mainolfi, Ph.D.
Name: Nello Mainolfi, Ph.D.
Title: President & Chief Executive Officer

SCHEDULE A

Investors

| <u>Name</u> | <u>Address</u> |
|---|--|
| Atlas Venture Opportunity Fund I, L.P. | 400 Technology Square, 10 th Floor Cambridge, MA 02139 Attn: General Counsel |
| Atlas Venture Fund X, L.P. | 400 Technology Square, 10 th Floor Cambridge, MA 02139 Attn: General Counsel |
| Lilly Ventures Fund I, LLC | 115 West Washington St. South Tower, Suite 1680 Indianapolis, IN 46204 |
| Alexandria Venture Investments, LLC | 385 E. Colorado Blvd., Suite 299 Pasadena, CA 91101 |
| Amgen Ventures LLC | c/o Amgen Inc. One Amgen Center Drive Thousand Oaks, CA 91320 Attn: Corporate Secretary |
| 6 Dimensions Capital, L.P. | 55 Cambridge Parkway, 8th Floor Cambridge MA 02142 |
| 6 Dimensions Affiliates Fund, L.P. | 55 Cambridge Parkway, 8th Floor Cambridge MA 02142 |

Pfizer Inc.

235 East 42nd Street
New York, NY

Bessemer Venture Partners IX L.P.

c/o Bessemer Venture Partners
1865 Palmer Avenue
Suite 104
Larchmont, NY 10538

Bessemer Venture Partners IX Institutional L.P.

c/o Bessemer Venture Partners
1865 Palmer Avenue
Suite 104
Larchmont, NY 10538

MRL Ventures

MRL Ventures Fund, LLC
320 Bent St., 4th Floor
Cambridge MA, 02141

Hatteras Venture Partners V, LP

280 S. Mangum St., Suite 350
Durham, NC 27701

Genzyme Corporation

50 Binney Street, Cambridge, USA, 02142
Att: General Counsel, NA

With a copy which should not constitute notice to:

Sanofi Ventures

50 Binney Street, Cambridge, USA, 02142

Aju Life Science 3.0 Venture Fund

c/o Aju IB Investment, Co., Ltd.
201 Teheran-ro, 5th floor
Gangnam-gu
Seoul, Korea 06141

Aju Good Venture Fund

c/o Aju IB Investment, Co., Ltd.
201 Teheran-ro, 5th floor
Gangnam-gu
Seoul, Korea 06141

The Trustees of Columbia University in the City of New York

405 Lexington Avenue, 63rd Floor
New York, NY 10174

Vertex Pharmaceuticals Incorporated

Vertex Pharmaceuticals Incorporated
Attn: Corporate Legal
50 Northern Avenue
Boston, Massachusetts 02110

With a copy, which shall not constitute notice, to:

Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, Massachusetts 02199

Biotechnology Value Fund, L.P.

44 Montgomery Street
40th Floor
San Francisco, CA 94104

Biotechnology Value Fund II, L.P.

44 Montgomery Street
40th Floor
San Francisco, CA 94104

Biotechnology Value Trading Fund OS, L.P.

44 Montgomery Street
40th Floor
San Francisco, CA 94104

MSI BVF SPV, L.L.C.

44 Montgomery Street
40th Floor
San Francisco, CA 94104

REDMILE Biopharma Investments II, L.P.

One Letterman Drive
Suite D3-300
The Presidio, San Francisco, CA 94129

667, LP

Baker Brothers Investments
860 Washington St, 3rd Floor
New York, NY 10014

Baker Brothers Life Sciences, L.P.

Baker Brothers Investments
860 Washington St, 3rd Floor
New York, NY 10014

**Wellington Biomedical Innovation Master Investors
(Cayman) I L.P.**

c/o Wellington Management Company LLP
Legal and Compliance
280 Congress Street
Boston, MA 02210

With a copy, which shall not constitute notice, to:

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109

Bain Capital Life Sciences Fund II, L.P.

200 Clarendon Street
Boston, MA 02116

BCIP Life Sciences Associates, LP

200 Clarendon Street
Boston, MA 02116

BlackRock Health Sciences Trust II

c/o BlackRock
60 State Street, 19th/20th Floor
Boston, MA 02109

With a copy (which shall not constitute notice) to:

c/o BlackRock, Inc.
Office of the General Counsel
40 East 52nd Street
New York, NY 10022

BlackRock Health Sciences Master Unit Trust

c/o BlackRock
60 State Street, 19th/20th Floor
Boston, MA 02109

With a copy (which shall not constitute notice) to:

c/o BlackRock, Inc.
Office of the General Counsel
40 East 52nd Street
New York, NY 10022

Janus Henderson Global Life Sciences

151 Detroit Street
Denver 80206
Attn: Andy Acker

**Janus Henderson Biotech Innovation Master Fund
Limited**

151 Detroit Street
Denver 80206
Attn: Andy Acker

Rock Springs Capital Master Fund LP

c/o Rock Springs Capital Management
650 South Exeter Street #1070
Baltimore, MD 21202

Logos Opportunities Fund I, L.P.

1 Letterman Dr., Building D, Suite D3-700
San Francisco, CA 94129

LLS TAP KYMERA, LLC

The Leukemia & Lymphoma Society
3 International Drive, Suite 200
Rye Brook, NY 10573

KYMERA THERAPEUTICS, INC.

2018 STOCK OPTION AND GRANT PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, directors, Consultants and other key persons of Kymera Therapeutics, Inc., a Delaware corporation (including any successor entity, the "Company") and its Subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

The following terms shall be defined as set forth below:

"*Affiliate*" of any Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

"*Award*" or "*Awards*," except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units or any combination of the foregoing.

"*Award Agreement*" means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement may contain terms and conditions in addition to those set forth in the Plan; *provided, however*, in the event of any conflict in the terms of the Plan and the Award Agreement, the terms of the Plan shall govern.

"*Board*" means the Board of Directors of the Company.

"*Cause*" shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of "*Cause*," it shall mean (i) the grantee's dishonest statements or acts with respect to the Company or any Affiliate of the Company, or any current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the grantee's commission of (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the grantee's failure to perform his assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the grantee by the Company; (iv) the grantee's gross negligence, willful misconduct or insubordination with respect to the Company or any Affiliate of the Company; or (v) the grantee's material violation of any provision of any agreement(s) between the grantee and the Company relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

“*Chief Executive Officer*” means the Chief Executive Officer of the Company or, if there is no Chief Executive Officer, then the President of the Company.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

“*Committee*” means the Committee of the Board referred to in Section 2.

“*Consultant*” means any natural person that provides bona fide services to the Company (including a Subsidiary), and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities.

“*Disability*” means “disability” as defined in Section 422(c) of the Code.

“*Effective Date*” means the date on which the Plan is adopted as set forth on the final page of the Plan.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“*Fair Market Value*” of the Stock on any given date means the fair market value of the Stock determined in good faith by the Committee based on the reasonable application of a reasonable valuation method not inconsistent with Section 409A of the Code. If the Stock is admitted to trade on a national securities exchange, the determination shall be made by reference to the closing price reported on such exchange. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price. If the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the “Price to the Public” (or equivalent) set forth on the cover page for the final prospectus relating to the Company’s Initial Public Offering.

“*Good Reason*” shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of “Good Reason,” it shall mean (i) a material diminution in the grantee’s base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or (ii) a change of more than 50 miles in the geographic location at which the grantee provides services to the Company, so long as the grantee provides at least 90 days notice to the Company following the initial occurrence of any such event and the Company fails to cure such event within 30 days thereafter.

“*Grant Date*” means the date that the Committee designates in its approval of an Award in accordance with applicable law as the date on which the Award is granted, which date may not precede the date of such Committee approval.

“*Holder*” means, with respect to an Award or any Shares, the Person holding such Award or Shares, including the initial recipient of the Award or any Permitted Transferee.

“*Incentive Stock Option*” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“*Initial Public Offering*” means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which the Stock shall be publicly held.

“*Non-Qualified Stock Option*” means any Stock Option that is not an Incentive Stock Option.

“*Option*” or “*Stock Option*” means any option to purchase shares of Stock granted pursuant to Section 5.

“*Permitted Transferees*” shall mean any of the following to whom a Holder may transfer Shares hereunder (as set forth in Section 9(a)(ii)(A)): the Holder’s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Holder’s household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons control the management of assets, and any other entity in which these persons own more than fifty percent of the voting interests; *provided, however*, that any such trust does not require or permit distribution of any Shares during the term of the Award Agreement unless subject to its terms. Upon the death of the Holder, the term Permitted Transferees shall also include such deceased Holder’s estate, executors, administrators, personal representatives, heirs, legatees and distributees, as the case may be.

“*Person*” shall mean any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.

“*Restricted Stock Award*” means Awards granted pursuant to Section 6 and “*Restricted Stock*” means Shares issued pursuant to such Awards.

“*Restricted Stock Unit*” means an Award of phantom stock units to a grantee, which may be settled in cash or Shares as determined by the Committee, pursuant to Section 8.

“*Sale Event*” means the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons, or (v) any other acquisition of the business of the Company, as determined by the Board; *provided, however*, that the Company’s Initial Public Offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company’s domicile shall not constitute a “Sale Event.”

“Section 409A” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“Service Relationship” means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).

“Shares” means shares of Stock.

“Stock” means the Common Stock, par value \$0.0001 per share, of the Company.

“Subsidiary” means any corporation or other entity (other than the Company) in which the Company has more than a 50 percent interest, either directly or indirectly.

“Ten Percent Owner” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent of the Company or any Subsidiary.

“Termination Event” means the termination of the Award recipient’s Service Relationship with the Company and its Subsidiaries for any reason whatsoever, regardless of the circumstances thereof, and including, without limitation, upon death, disability, retirement, discharge or resignation for any reason, whether voluntarily or involuntarily. The following shall not constitute a Termination Event: (i) a transfer to the service of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another Subsidiary or (ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Committee, if the individual’s right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

“Unrestricted Stock Award” means any Award granted pursuant to Section 7 and “Unrestricted Stock” means Shares issued pursuant to such Awards.

SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT GRANTEEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Board, or at the discretion of the Board, by a committee of the Board, comprised of not less than two directors. All references herein to the “Committee” shall be deemed to refer to the group then responsible for administration of the Plan at the relevant time (i.e., either the Board of Directors or a committee or committees of the Board, as applicable).

(b) Powers of Committee. The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

- (i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the amount, if any, of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award and, subject to the provisions of the Plan, the price, exercise price, conversion ratio or other price relating thereto;

(iv) to determine and, subject to Section 12, to modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of Award Agreements;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) to impose any limitations on Awards, including limitations on transfers, repurchase provisions and the like, and to exercise repurchase rights or obligations;

(vii) subject to Section 5(a)(ii) and any restrictions imposed by Section 409A, to extend at any time the period in which Stock Options may be exercised; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including Award Agreements); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Committee shall be binding on all persons, including the Company and all Holders.

(c) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award.

(d) Indemnification. Neither the Board nor the Committee, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's governing documents, including its certificate of incorporation or bylaws, or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(e) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and any Subsidiary operate or have employees or other individuals eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries, if any, shall be covered by the Plan; (ii) determine which individuals, if any, outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS AND OTHER TRANSACTIONS; SUBSTITUTION

(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 4,672,778 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 46,727,780 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company. Beginning on the date that the Company becomes subject to Section 162(m) of the Code, Options with respect to no more than 4,672,778 Shares shall be granted to any one individual in any calendar year period.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional Shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, in each case, without the receipt of consideration by the Company, or, if, as a result of any merger or consolidation, or sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for other securities of the Company or any successor entity (or a parent or subsidiary thereof), the Committee shall make an appropriate and proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to any then outstanding

Awards under the Plan, (iii) the repurchase price, if any, per Share subject to each outstanding Award, and (iv) the exercise price for each Share subject to any then outstanding Stock Options under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options) as to which such Stock Options remain exercisable. The Committee shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporation Code and the rules and regulations promulgated thereunder. The adjustment by the Committee shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) Sale Events.

(i) Options.

(A) In the case of and subject to the consummation of a Sale Event, the Plan and all outstanding Options issued hereunder shall terminate upon the effective time of any such Sale Event unless assumed or continued by the successor entity, or new stock options or other awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the termination of the Plan and all outstanding Options issued hereunder pursuant to Section 3(c), each Holder of Options shall be permitted, within a period of time prior to the consummation of the Sale Event as specified by the Committee, to exercise all such Options which are then exercisable or will become exercisable as of the effective time of the Sale Event; *provided, however*, that the exercise of Options not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(i)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Options, without any consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the value as determined by the Committee of the consideration payable per share of Stock pursuant to the Sale Event (the "Sale Price") times the number of Shares subject to outstanding Options being cancelled (to the extent then vested and exercisable, including by reason of acceleration in connection with such Sale Event, at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding vested and exercisable Options.

(ii) Restricted Stock and Restricted Stock Unit Awards.

(A) In the case of and subject to the consummation of a Sale Event, all unvested Restricted Stock and unvested Restricted Stock Unit Awards (other than those becoming vested as a result of the Sale Event) issued hereunder shall be forfeited

immediately prior to the effective time of any such Sale Event unless assumed or continued by the successor entity, or awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares subject to such awards as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the forfeiture of Restricted Stock pursuant to Section 3(c)(ii)(A), such Restricted Stock shall be repurchased from the Holder thereof at a price per share equal to the original per share purchase price paid by the Holder (subject to adjustment as provided in Section 3(b)) for such Shares.

(C) Notwithstanding anything to the contrary in Section 3(c)(ii)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Restricted Stock or Restricted Stock Unit Awards, without consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the Sale Price times the number of Shares subject to such Awards, to be paid at the time of such Sale Event or upon the later vesting of such Awards.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, directors, Consultants and key persons of the Company and any Subsidiary who are selected from time to time by the Committee in its sole discretion; provided, however, that Awards shall be granted only to those individuals described in Rule 701(c) of the Securities Act.

SECTION 5. STOCK OPTIONS

Upon the grant of a Stock Option, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

(a) Terms of Stock Options. The Committee in its discretion may grant Stock Options to those individuals who meet the eligibility requirements of Section 4. Stock Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable.

(i) Exercise Price. The exercise price per share for the Shares covered by a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price per share for the Shares covered by such Incentive Stock Option shall not be less than 110 percent of the Fair Market Value on the Grant Date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the Grant Date.

(iii) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable and/or vested at such time or times, whether or not in installments, as shall be determined by the Committee at or after the Grant Date. The Award Agreement may permit a grantee to exercise all or a portion of a Stock Option immediately at grant; provided that the Shares issued upon such exercise shall be subject to restrictions and a vesting schedule identical to the vesting schedule of the related Stock Option, such Shares shall be deemed to be Restricted Stock for purposes of the Plan, and the optionee may be required to enter into an additional or new Award Agreement as a condition to exercise of such Stock Option. An optionee shall have the rights of a stockholder only as to Shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options. An optionee shall not be deemed to have acquired any Shares unless and until a Stock Option shall have been exercised pursuant to the terms of the Award Agreement and this Plan and the optionee's name has been entered on the books of the Company as a stockholder.

(iv) Method of Exercise. Stock Options may be exercised by an optionee in whole or in part, by the optionee giving written or electronic notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the following methods (or any combination thereof) to the extent provided in the Award Agreement:

(A) In cash, by certified or bank check, by wire transfer of immediately available funds, or other instrument acceptable to the Committee;

(B) If permitted by the Committee, by the optionee delivering to the Company a promissory note, if the Board has expressly authorized the loan of funds to the optionee for the purpose of enabling or assisting the optionee to effect the exercise of his or her Stock Option; provided, that at least so much of the exercise price as represents the par value of the Stock shall be paid in cash if required by state law;

(C) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), through the delivery (or attestation to the ownership) of Shares that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. To the extent required to avoid variable accounting treatment under ASC 718 or other applicable accounting rules, such surrendered Shares if originally purchased from the Company shall have been owned by the optionee for at least six months. Such surrendered Shares shall be valued at Fair Market Value on the exercise date;

(D) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure; or

(E) If permitted by the Committee, and only with respect to Stock Options that are not Incentive Stock Options, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. No certificates for Shares so purchased will be issued to the optionee or, with respect to uncertificated Stock, no transfer to the optionee on the records of the Company will take place, until the Company has completed all steps it has deemed necessary to satisfy legal requirements relating to the issuance and sale of the Shares, which steps may include, without limitation, (i) receipt of a representation from the optionee at the time of exercise of the Option that the optionee is purchasing the Shares for the optionee’s own account and not with a view to any sale or distribution of the Shares or other representations relating to compliance with applicable law governing the issuance of securities, (ii) the legending of the certificate (or notation on any book entry) representing the Shares to evidence the foregoing restrictions, and (iii) obtaining from optionee payment or provision for all withholding taxes due as a result of the exercise of the Option. The delivery of certificates representing the shares of Stock (or the transfer to the optionee on the records of the Company with respect to uncertificated Stock) to be purchased pursuant to the exercise of a Stock Option will be contingent upon (A) receipt from the optionee (or a purchaser acting in his or her stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Award Agreement or applicable provisions of laws and (B) if required by the Company, the optionee shall have entered into any stockholders agreements or other agreements with the Company and/or certain other of the Company’s stockholders relating to the Stock. In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Stock Option shall be net of the number of Shares attested to.

(b) Annual Limit on Incentive Stock Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and any Subsidiary that become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(c) Termination. Any portion of a Stock Option that is not vested and exercisable on the date of termination of an optionee's Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Option becomes vested and exercisable, the optionee's right to exercise such portion of the Stock Option (or the optionee's representatives and legatees as applicable) in the event of a termination of the optionee's Service Relationship shall continue until the earliest of: (i) the date which is: (A) 12 months following the date on which the optionee's Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (B) three months following the date on which the optionee's Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (ii) the Expiration Date set forth in the Award Agreement; provided that notwithstanding the foregoing, an Award Agreement may provide that if the optionee's Service Relationship is terminated for Cause, the Stock Option shall terminate immediately and be null and void upon the date of the optionee's termination and shall not thereafter be exercisable.

SECTION 6. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible individual under Section 4 hereof a Restricted Stock Award under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or such other criteria as the Committee may determine. Upon the grant of a Restricted Stock Award, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee of Restricted Stock shall be considered the record owner of and shall be entitled to vote the Restricted Stock if, and to the extent, such Shares are entitled to voting rights, subject to such conditions contained in the Award Agreement. The grantee shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution. Unless the Committee shall otherwise determine, certificates evidencing the Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in subsection (d) below of this Section, and the grantee shall be required, as a condition of the grant, to deliver to the Company a stock power endorsed in blank and such other instruments of transfer as the Committee may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Award Agreement. Except as may otherwise be provided by the Committee either in the Award Agreement or, subject to Section 12 below, in writing after the Award Agreement is issued, if a grantee's Service Relationship with the Company and any Subsidiary terminates, the Company or its assigns shall have the right, as may be specified in the relevant instrument, to repurchase some or all of the Shares subject to the Award at such purchase price as is set forth in the Award Agreement.

(d) Vesting of Restricted Stock. The Committee at the time of grant shall specify in the Award Agreement the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the substantial risk of forfeiture imposed shall lapse and the Restricted Stock shall become vested, subject to such further rights of the Company or its assigns as may be specified in the Award Agreement.

SECTION 7. UNRESTRICTED STOCK AWARDS

The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible person under Section 4 hereof an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Committee may, in its sole discretion, grant to an eligible person under Section 4 hereof Restricted Stock Units under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Unit at the time of grant. Vesting conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or other such criteria as the Committee may determine. Upon the grant of Restricted Stock Units, the grantee and the Company shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee and may differ among individual Awards and grantees. On or promptly following the vesting date or dates applicable to any Restricted Stock Unit, but in no event later than March 15 of the year following the year in which such vesting occurs, such Restricted Stock Unit(s) shall be settled in the form of cash or shares of Stock, as specified in the Award Agreement. Restricted Stock Units may not be sold, assigned, transferred, pledged, or otherwise encumbered or disposed of.

(b) Rights as a Stockholder. A grantee shall have the rights of a stockholder only as to Shares, if any, acquired upon settlement of Restricted Stock Units. A grantee shall not be deemed to have acquired any such Shares unless and until the Restricted Stock Units shall have been settled in Shares pursuant to the terms of the Plan and the Award Agreement, the Company shall have issued and delivered a certificate representing the Shares to the grantee (or transferred on the records of the Company with respect to uncertificated stock), and the grantee's name has been entered in the books of the Company as a stockholder.

(c) Termination. Except as may otherwise be provided by the Committee either in the Award Agreement or in writing after the Award Agreement is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's cessation of Service Relationship with the Company and any Subsidiary for any reason.

(a) Restrictions on Transfer.

(i) Non-Transferability of Stock Options. Stock Options and, prior to exercise, the Shares issuable upon exercise of such Stock Option, shall not be transferable by the optionee otherwise than by will, or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee, or by the optionee's legal representative or guardian in the event of the optionee's incapacity. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide in the Award Agreement regarding a given Stock Option that the optionee may transfer by gift, without consideration for the transfer, his or her Non-Qualified Stock Options to his or her family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award Agreement, including the execution of a stock power upon the issuance of Shares. Stock Options, and the Shares issuable upon exercise of such Stock Options, shall be restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" (as defined in the Exchange Act) or any "call equivalent position" (as defined in the Exchange Act) prior to exercise.

(ii) Shares. No Shares shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless (i) the transfer is in compliance with the terms of the applicable Award Agreement, all applicable securities laws (including, without limitation, the Securities Act), and with the terms and conditions of this Section 9, (ii) the transfer does not cause the Company to become subject to the reporting requirements of the Exchange Act, and (iii) the transferee consents in writing to be bound by the provisions of the Plan and the Award Agreement, including this Section 9. In connection with any proposed transfer, the Committee may require the transferor to provide at the transferor's own expense an opinion of counsel to the transferor, satisfactory to the Committee, that such transfer is in compliance with all foreign, federal and state securities laws (including, without limitation, the Securities Act). Any attempted transfer of Shares not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Company shall not reflect on its records any change in record ownership of any Shares as a result of any such transfer, shall otherwise refuse to recognize any such transfer and shall not in any way give effect to any such transfer of Shares. The Company shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity including, without limitation, seeking specific performance or the rescission of any transfer not made in strict compliance with the provisions of this Section 9. Subject to the foregoing general provisions, and unless otherwise provided in the applicable Award Agreement, Shares may be transferred pursuant to the following specific terms and conditions (provided that

with respect to any transfer of Restricted Stock, all vesting and forfeiture provisions shall continue to apply with respect to the original recipient):

(A) Transfers to Permitted Transferees. The Holder may transfer any or all of the Shares to one or more Permitted Transferees; *provided, however*, that following such transfer, such Shares shall continue to be subject to the terms of this Plan (including this Section 9) and such Permitted Transferee(s) shall, as a condition to any such transfer, deliver a written acknowledgment to that effect to the Company and shall deliver a stock power to the Company with respect to the Shares. Notwithstanding the foregoing, the Holder may not transfer any of the Shares to a Person whom the Company reasonably determines is a direct competitor or a potential competitor of the Company or any of its Subsidiaries.

(B) Transfers Upon Death. Upon the death of the Holder, any Shares then held by the Holder at the time of such death and any Shares acquired after the Holder's death by the Holder's legal representative shall be subject to the provisions of this Plan, and the Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees shall be obligated to convey such Shares to the Company or its assigns under the terms contemplated by the Plan and the Award Agreement.

(b) Right of First Refusal. In the event that a Holder desires at any time to sell or otherwise transfer all or any part of his or her Shares (other than shares of Restricted Stock which by their terms are not transferrable), the Holder first shall give written notice to the Company of the Holder's intention to make such transfer. Such notice shall state the number of Shares that the Holder proposes to sell (the "Offered Shares"), the price and the terms at which the proposed sale is to be made and the name and address of the proposed transferee. At any time within 30 days after the receipt of such notice by the Company, the Company or its assigns may elect to purchase all or any portion of the Offered Shares at the price and on the terms offered by the proposed transferee and specified in the notice. The Company or its assigns shall exercise this right by mailing or delivering written notice to the Holder within the foregoing 30-day period. If the Company or its assigns elect to exercise its purchase rights under this Section 9(b), the closing for such purchase shall, in any event, take place within 45 days after the receipt by the Company of the initial notice from the Holder. In the event that the Company or its assigns do not elect to exercise such purchase right, or in the event that the Company or its assigns do not pay the full purchase price within such 45-day period, the Holder shall be required to pay a transaction processing fee of \$10,000 to the Company (unless waived by the Committee) and then may, within 60 days thereafter, sell the Offered Shares to the proposed transferee and at the same price and on the same terms as specified in the Holder's notice. Any Shares not sold to the proposed transferee shall remain subject to the Plan. If the Holder is a party to any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Shares, (i) the transferring Holder shall comply with the requirements of such stockholders agreements or other agreements relating to any proposed transfer of the Offered Shares, and (ii) any proposed transferee that purchases Offered Shares shall enter into such stockholders agreements or other agreements with the Company and/or certain of the Company's stockholders relating to the Offered Shares on the same terms and in the same capacity as the transferring Holder.

(c) Company's Right of Repurchase.

(i) Right of Repurchase for Unvested Shares Issued Upon the Exercise of an Option. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares acquired upon exercise of a Stock Option which are still subject to a risk of forfeiture as of the Termination Event. Such repurchase rights may be exercised by the Company within the later of (A) six months following the date of such Termination Event or (B) seven months after the acquisition of Shares upon exercise of a Stock Option. The repurchase price shall be equal to the lower of the original per share price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(ii) Right of Repurchase With Respect to Restricted Stock. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares received pursuant to a Restricted Stock Award any Shares that are still subject to a risk of forfeiture as of the Termination Event. Such repurchase right may be exercised by the Company within six months following the date of such Termination Event. The repurchase price shall be the lower of the original per share purchase price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(iii) Procedure. Any repurchase right of the Company shall be exercised by the Company or its assigns by giving the Holder written notice on or before the last day of the repurchase period of its intention to exercise such repurchase right. Upon such notification, the Holder shall promptly surrender to the Company, free and clear of any liens or encumbrances, any certificates representing the Shares being purchased, together with a duly executed stock power for the transfer of such Shares to the Company or the Company's assignee or assignees. Upon the Company's or its assignee's receipt of the certificates from the Holder, the Company or its assignee or assignees shall deliver to him, her or them a check for the applicable repurchase price; *provided, however*, that the Company may pay the repurchase price by offsetting and canceling any indebtedness then owed by the Holder to the Company.

(d) Drag Along Right. In the event the Required Holders (as defined in the certificate of incorporation of the Company as amended and in effect from time to time) determine to enter into a Sale Event in a bona fide negotiated transaction (a "Sale"), with any non-Affiliate of the Company or any majority shareholder (in each case, the "Buyer"), a Holder of Shares, including any Permitted Transferee, shall be obligated to and shall upon the written request of the Majority Shareholders: (a) sell, transfer and deliver, or cause to be sold, transferred and delivered, to the Buyer, his or her Shares (including for this purpose all of such Holder's Shares that presently or as a result of any such transaction may be acquired upon the exercise of an Option (following the payment of the exercise price therefor)) on substantially the same terms applicable to the Majority Shareholders (with appropriate adjustments to reflect the conversion of convertible securities, the redemption of redeemable securities and the exercise of exercisable securities as well as the relative preferences and priorities of preferred stock); and (b) execute and deliver such instruments of conveyance and transfer and take such other action, including voting such Shares in favor of any Sale proposed by the Majority Shareholders and executing any purchase agreements, merger agreements, indemnity agreements, escrow agreements or related documents as the Majority Shareholders or the Buyer may reasonably require in order to carry out the terms and provisions of this Section 9(d).

(e) Escrow Arrangement.

(i) Escrow. In order to carry out the provisions of this Section 9 of this Plan more effectively, the Company shall hold any Shares issued pursuant to Awards granted under the Plan in escrow together with separate stock powers executed by the Holder in blank for transfer. The Company shall not dispose of the Shares except as otherwise provided in this Plan. In the event of any repurchase by the Company (or any of its assigns), the Company is hereby authorized by the Holder, as the Holder's attorney-in-fact, to date and complete the stock powers necessary for the transfer of the Shares being purchased and to transfer such Shares in accordance with the terms hereof. At such time as any Shares are no longer subject to the Company's repurchase and first refusal rights, the Company shall, at the written request of the Holder, deliver to the Holder a certificate representing such Shares with the balance of the Shares to be held in escrow pursuant to this Section.

(ii) Remedy. Without limitation of any other provision of this Plan or other rights, in the event that a Holder or any other Person is required to sell a Holder's Shares pursuant to the provisions of Sections 9(b) or (c) hereof and in the further event that he or she refuses or for any reason fails to deliver to the Company or its designated purchaser of such Shares the certificate or certificates evidencing such Shares together with a related stock power, the Company or such designated purchaser may deposit the applicable purchase price for such Shares with a bank designated by the Company, or with the Company's independent public accounting firm, as agent or trustee, or in escrow, for such Holder or other Person, to be held by such bank or accounting firm for the benefit of and for delivery to him, her, them or it, and/or, in its discretion, pay such purchase price by offsetting any indebtedness then owed by such Holder as provided above. Upon any such deposit and/or offset by the Company or its designated purchaser of such amount and upon notice to the Person who was required to sell the Shares to be sold pursuant to the provisions of Sections 9(b) or (c), such Shares shall at such time be deemed to have been sold, assigned, transferred and conveyed to such purchaser, such Holder shall have no further rights thereto (other than the right to withdraw the payment thereof held in escrow, if applicable), and the Company shall record such transfer in its stock transfer book or in any appropriate manner.

(f) Lockup Provision. If requested by the Company, a Holder shall not sell or otherwise transfer or dispose of any Shares (including, without limitation, pursuant to Rule 144 under the Securities Act) held by him or her for such period following the effective date of a public offering by the Company of Shares as the Company shall specify reasonably and in good faith. If requested by the underwriter engaged by the Company, each Holder shall execute a separate letter confirming his or her agreement to comply with this Section.

(g) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Section 9 shall apply with equal force to additional and/or substitute securities, if any, received by Holder in exchange for, or by virtue of his or her ownership of, Shares.

(h) Termination. The terms and provisions of Section 9(b) and Section 9(c) (except for the Company's right to repurchase Shares still subject to a risk of forfeiture upon a Termination Event) shall terminate upon the closing of the Company's Initial Public Offering or upon consummation of any Sale Event, in either case as a result of which Shares are registered under Section 12 of the Exchange Act and publicly-traded on any national security exchange.

SECTION 10. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the grantee for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver stock certificates (or evidence of book entry) to any grantee is subject to and conditioned on any such tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Company's minimum required tax withholding obligation may be satisfied, in whole or in part, by the Company withholding from Shares to be issued pursuant to an Award a number of Shares having an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the minimum withholding amount due.

SECTION 11. SECTION 409A AWARDS

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as may be specified by the Committee from time to time. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. The Company makes no representation or warranty and shall have no liability to any grantee under the Plan or any other Person with respect to any penalties or taxes under Section 409A that are, or may be, imposed with respect to any Award.

SECTION 12. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Committee may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the consent of the holder of the Award. The Committee may

exercise its discretion to reduce the exercise price of outstanding Stock Options or effect repricing through cancellation of outstanding Stock Options and by granting such holders new Awards in replacement of the cancelled Stock Options. To the extent determined by the Committee to be required either by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code or otherwise, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 12 shall limit the Board's or Committee's authority to take any action permitted pursuant to Section 3(c). The Board reserves the right to amend the Plan and/or the terms of any outstanding Stock Options to the extent reasonably necessary to comply with the requirements of the exemption pursuant to paragraph (f)(4) of Rule 12h-1 of the Exchange Act.

SECTION 13. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly so determine in connection with any Award.

SECTION 14. GENERAL PROVISIONS

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to distribution thereof. No Shares shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange or similar requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Stock certificates to grantees under the Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company; provided that stock certificates to be held in escrow pursuant to Section 9 of the Plan shall be deemed delivered when the Company shall have recorded the issuance in its records. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records).

(c) No Employment Rights. The adoption of the Plan and the grant of Awards do not confer upon any Person any right to continued employment or Service Relationship with the Company or any Subsidiary.

(d) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(e) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award on or after the grantee's death or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

(f) Legend. Any certificate(s) representing the Shares shall carry substantially the following legend (and with respect to uncertificated Stock, the book entries evidencing such shares shall contain the following notation):

The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including repurchase and restrictions against transfers) contained in the Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan and any agreements entered into thereunder by and between the company and the holder of this certificate (a copy of which is available at the offices of the company for examination).

(g) Information to Holders of Options. In the event the Company is relying on the exemption from the registration requirements of Section 12(g) of the Exchange Act contained in paragraph (f)(1) of Rule 12h-1 of the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act to all holders of Options in accordance with the requirements thereunder. The foregoing notwithstanding, the Company shall not be required to provide such information unless the optionholder has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

SECTION 15. EFFECTIVE DATE OF PLAN

The Plan shall become effective upon adoption by the Board and shall be approved by stockholders in accordance with applicable state law and the Company's articles of incorporation and bylaws within 12 months thereafter. If the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any Awards granted or sold under the Plan shall be rescinded and no additional grants or sales shall thereafter be made under the Plan. Subject to such approval by stockholders and to the requirement that no Shares may be issued hereunder prior to such approval, Stock Options and other Awards may be granted hereunder on and after adoption of the Plan by the Board. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the date the Plan is adopted by the Board or the date the Plan is approved by the Company's stockholders, whichever is earlier.

SECTION 16. GOVERNING LAW

This Plan, all Awards and any controversy arising out of or relating to this Plan and all Awards 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 as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

DATE ADOPTED BY THE BOARD OF DIRECTORS: November 1, 2018

DATE APPROVED BY THE STOCKHOLDERS: November 1, 2018

**INCENTIVE STOCK OPTION GRANT NOTICE
UNDER THE KYMERA THERAPEUTICS, INC.
2018 STOCK OPTION AND GRANT PLAN**

Pursuant to the Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan (the "Plan"), Kymera Therapeutics, Inc., a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value \$0.0001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Incentive Stock Option Grant Notice (the "Grant Notice"), the attached Incentive Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). To the extent that any portion of the Stock Option does not so qualify, it shall be deemed a non-qualified stock option.

Name of Optionee: _____ (the "Optionee")

No. of Shares: _____ Shares of Common Stock

Grant Date: _____

Vesting Commencement Date: _____ (the "Vesting Commencement Date")

Expiration Date: _____ (the "Expiration Date")

Option Exercise Price/Share: \$____ (the "Option Exercise Price")

Vesting Schedule: 25 percent of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75 percent of the Shares shall vest and become exercisable in 36 equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan[**provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE**].

Attachments: Incentive Stock Option Agreement, 2018 Stock Option and Grant Plan

**INCENTIVE STOCK OPTION AGREEMENT
UNDER THE KYMERA THERAPEUTICS, INC.
2018 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

(d) It is understood and intended that this Stock Option is intended to qualify as an “incentive stock option” as defined in Section 422 of the Code to the extent permitted under applicable law. Accordingly, the Optionee understands that in order to obtain the benefits of an incentive stock option under Section 422 of the Code, no sale or other disposition may be made of Shares for which incentive stock option treatment is desired within the one-year period beginning on the day after the day of the transfer of such Shares to him or her, nor within the two-year period beginning on the day after Grant Date of this Stock Option and further that this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an incentive stock option. If the Optionee disposes (whether by sale, gift, transfer or otherwise) of any such Shares within either of these periods, he or she will notify the Company within 30 days after such disposition. The Optionee also agrees to provide the Company with any information concerning any such dispositions required by the Company for tax purposes. Further, to the extent this Stock Option and any other incentive stock options of the Optionee having an aggregate Fair Market Value in excess of \$100,000 (determined as of the Grant Date) first become exercisable in any year, such options will not qualify as incentive stock options.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an “Exercise Notice”) in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee’s lifetime only by the Optionee (or by the Optionee’s guardian or personal representative in the event of the Optionee’s incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee’s Stock Option in the event of the Optionee’s death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee’s death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) 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 as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, Massachusetts.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision

in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

8. Waiver of Statutory Information Rights. The Optionee understands and agrees that, but for the waiver made herein, the Optionee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Optionee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Optionee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Optionee under any other written agreement between the Optionee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

KYMERA THERAPEUTICS, INC.

By: _____

Name:

Title:

Address:

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

Name:

Address:

[SPOUSE'S CONSENT¹

I acknowledge that I have read the
foregoing Incentive Stock Option Agreement
and understand the contents thereof.

_____]

¹ A spouse's consent is recommended only if the Optionee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

DESIGNATED BENEFICIARY:

Beneficiary's Address:

STOCK OPTION EXERCISE NOTICE

Kymera Therapeutics, Inc.
Attention: President

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Kymera Therapeutics, Inc. (the "Company") dated _____ (the "Agreement") under the Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan, I, [Insert Name] _____, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of \$ _____ representing the purchase price for [Fill in number of Shares] _____ Shares. I have chosen the following form(s) of payment:

- 1. Cash
- 2. Certified or bank check payable to Kymera Therapeutics, Inc.
- 3. Other (as referenced in the Agreement and described in the Plan (please describe))
_____.

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

- (i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.
- (ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.
- (iii) 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.
- (iv) 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 of time.
- (v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the

registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(x) I understand and agree to the waiver of statutory information rights as set forth in Section 8 of the Agreement.

Sincerely yours,

Name:

Address:

Date: _____

**NON-QUALIFIED STOCK OPTION GRANT NOTICE
UNDER THE KYMERA THERAPEUTICS, INC.
2018 STOCK OPTION AND GRANT PLAN**

Pursuant to the Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan (the "Plan"), Kymera Therapeutics, Inc., a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value \$0.0001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Non-Qualified Stock Option Grant Notice (the "Grant Notice"), the attached Non-Qualified Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is not intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

Name of Optionee: _____ (the "Optionee")

No. of Shares: _____ Shares of Common Stock

Grant Date: _____

Vesting Commencement Date: _____ (the "Vesting Commencement Date")

Expiration Date: _____ (the "Expiration Date")

Option Exercise Price/Share: \$____ (the "Option Exercise Price")

Vesting Schedule: 25 percent of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75 percent of the Shares shall vest and become exercisable in 36 equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan[**provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE**].

Attachments: Non-Qualified Stock Option Agreement, 2018 Stock Option and Grant Plan

**NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE KYMERA THERAPEUTICS, INC.
2018 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees and any Permitted Transferee. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee's lifetime only by the Optionee (or by the Optionee's guardian or personal representative in the event of the Optionee's incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee's Stock Option in the event of the Optionee's death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee's death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) 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 as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, Massachusetts.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

8. Waiver of Statutory Information Rights. The Optionee understands and agrees that, but for the waiver made herein, the Optionee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and

extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Optionee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Optionee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Optionee under any other written agreement between the Optionee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

KYMERA THERAPEUTICS, INC.

By: _____

Name:

Title:

Address:

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

Name:

Address:

[SPOUSE'S CONSENT¹

I acknowledge that I have read the foregoing Non-Qualified Stock Option Agreement and understand the contents thereof.

_____]

¹ A spouse's consent is recommended only if the Optionee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

DESIGNATED BENEFICIARY:

Beneficiary's Address:

STOCK OPTION EXERCISE NOTICE

Kymera Therapeutics, Inc.
Attention: President

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Kymera Therapeutics, Inc. (the "Company") dated _____ (the "Agreement") under the Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan, I, [Insert Name] _____, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of \$ _____ representing the purchase price for [Fill in number of Shares] _____ Shares. I have chosen the following form(s) of payment:

- 1. Cash
- 2. Certified or bank check payable to Kymera Therapeutics, Inc.
- 3. Other (as referenced in the Agreement and described in the Plan (please describe))
_____.

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

- (i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.
- (ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.
- (iii) 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.
- (iv) 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 of time.
- (v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the

registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(x) I understand and agree to the waiver of statutory information rights as set forth in Section 8 of the Agreement.

Sincerely yours,

Name:

Address:

Date: _____

**RESTRICTED STOCK AWARD NOTICE
UNDER THE KYMERA THERAPEUTICS, INC.
2018 STOCK OPTION AND GRANT PLAN**

Pursuant to the Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan (the "Plan"), Kymera Therapeutics, Inc., a Delaware corporation (together with any successor, the "Company"), hereby grants, sells and issues to the individual named below, the Shares at the Per Share Purchase Price, subject to the terms and conditions set forth in this Restricted Stock Award Notice (the "Award Notice"), the attached Restricted Stock Agreement (the "Agreement") and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company's agreement to issue and sell the Shares to him or her. The Company hereby acknowledges receipt of \$[] in full payment for the Shares. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee: (the "Grantee")
No. of Shares: Shares of Common Stock (the "Shares")
Grant Date: ,
Date of Purchase of Shares: ,
Vesting Commencement Date: , (the "Vesting Commencement Date")
Per Share Purchase Price: \$ (the "Per Share Purchase Price")
Vesting Schedule: 25 percent of the Shares shall vest on the first anniversary of the Vesting Commencement Date; provided that the Grantee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75 percent of the Shares shall vest in 36 equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Grantee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary in the case of a Sale Event, the Shares of Restricted Stock shall be treated as provided in Section 3(c) of the Plan **[provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE]**.

Attachments: Restricted Stock Agreement, 2018 Stock Option and Grant Plan

**RESTRICTED STOCK AGREEMENT
UNDER THE KYMERA THERAPEUTICS, INC.
2018 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

1. Purchase and Sale of Shares; Vesting; Investment Representations.

(a) Purchase and Sale. The Company hereby sells to the Grantee, and the Grantee hereby purchases from the Company, the number of Shares set forth in the Award Notice for the Per Share Purchase Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice.

(c) Investment Representations. In connection with the purchase and sale of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee's own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee's investment in the Company and has consulted with the Grantee's own advisers with respect to the Grantee's investment in the Company.¹

(iii) The Grantee has 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.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities

¹ The restricted stock program is intended to be, and generally should be, exempt under Rule 701. Remember to check Blue Sky Laws.

or “blue sky” laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) The Grantee understands and agrees that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) The Grantee understands and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) The Grantee understands and agrees that the Grantee may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

2. Repurchase Right. Upon a Termination Event, the Company shall have the right to repurchase Shares of Restricted Stock that are unvested as of the date of such Termination Event as set forth in Section 9(c) of the Plan.²

3. Restrictions on Transfer of Shares. The Shares (whether or not vested) shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee’s tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an

² This language should be revised if the Company does want the ability to repurchase vested shares. See the definition of “Repurchase Event” in the Plan. The Company always has to have the right to repurchase unvested shares of Restricted Stock.

election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company). A sample Section 83(b) election is attached to this Agreement as Exhibit A.

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) 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 as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

6. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, Massachusetts.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each

other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

7. Waiver of Statutory Information Rights. The Grantee understands and agrees that, but for the waiver made herein, the Grantee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Grantee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Grantee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Grantee under any other written agreement between the Grantee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date of purchase of Shares above written.

KYMERA THERAPEUTICS, INC.

By: _____
Name:
Title:
Address:

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

Name:
Address:

[SPOUSE'S CONSENT³

I acknowledge that I have read the foregoing Restricted Stock Agreement and understand the contents thereof.

_____]

³ A spouse's consent is required only if the Grantee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, New Mexico, Nevada, Texas, Washington and Wisconsin.

EXHIBIT A
Section 83(b) Election

The undersigned hereby elects pursuant to §83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over the amount paid for those shares.

1. The name, taxpayer identification number, address of the undersigned, and the taxable year for which this election is being made are:

Name: _____

Address: _____

Social Security No.: _____

Taxable Year: Calendar Year 20

2. The property which is the subject of this election is [number of unvested shares] shares of common stock of Kymera Therapeutics, Inc.
3. The property was transferred to the undersigned on [date of purchase/transfer].
4. The property is subject to the following restrictions:
The Shares will be subject to restrictions on transfer and risk of forfeiture upon termination of service relationship and in certain other events.
5. The fair market value of the property at time of transfer (determined without regard to any restrictions other than nonlapse restrictions as defined in §1.83-3(h) of the Income Tax Regulations) is \$[current FMV] per share x [number of unvested shares] shares = \$.
6. For the property transferred, the undersigned paid \$[exercise price] per share x [number of unvested shares] shares = \$.
7. The amount to include in gross income is \$[amount reported in Item 5 minus the amount reported in Item 6].

The undersigned taxpayer will file this election with the Internal Revenue Service Office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property, at the IRS address listed for the taxpayer's state under "Are you not including a check or money order ..." given in *Where Do You File* in the Instructions for Form 1040 and the Instructions for Form 1040A (which information can also be found at: <https://www.irs.gov/uac/where-to-file-addresses-for-taxpayers-and-tax-professionals>). A copy of the election will also be furnished to the person for whom the services were performed. The undersigned is the person performing services in connection with which the property was transferred.

Dated: _____, 20

Taxpayer

KYMERA THERAPEUTICS, INC.

**AMENDMENT NO. 1 TO THE
2018 STOCK OPTION AND GRANT PLAN**

The Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan (the “Plan”) is hereby amended by the Board of Directors and stockholders of Kymera Therapeutics, Inc., a Delaware corporation, as follows:

Section 3(a) of the Plan is hereby amended to increase the total number of Shares (as defined in the Plan) reserved for issuance under the Plan by 2,977,004 shares such that Section 3(a) of the Plan, as so amended, shall read in its entirety as follows:

“Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 7,649,782 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 76,497,820 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.”

ADOPTED BY BOARD OF DIRECTORS:

May 23, 2019

ADOPTED BY STOCKHOLDERS:

June 6, 2019

KYMER A THERAPEUTICS, INC.

**AMENDMENT NO. 2 TO THE
2018 STOCK OPTION AND GRANT PLAN**

The Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan (the “Plan”) is hereby amended by the Board of Directors and stockholders of Kymera Therapeutics, Inc., a Delaware corporation, as follows:

Section 3(a) of the Plan is hereby amended to increase the total number of Shares (as defined in the Plan) reserved for issuance under the Plan by 2,000,000 shares such that Section 3(a) of the Plan, as so amended, shall read in its entirety as follows:

“Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 9,649,782 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 96,497,820 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.”

ADOPTED BY BOARD OF DIRECTORS: March 11, 2020

ADOPTED BY STOCKHOLDERS: March 11, 2020

LEASE AGREEMENT

THIS LEASE AGREEMENT is made as of this 28th day of February, 2018, between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**"), and **KYMERA THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**").

BASIC LEASE PROVISIONS

| | |
|------------------------------------|---|
| Address: | 300 Technology Square, Cambridge, Massachusetts |
| Premises: | That portion of the second floor of the Building containing approximately 9,836 rentable square feet, as determined by Landlord, as shown on Exhibit A . |
| Building: | The specific building in which the Premises are located, which building is within the Project and located at 300 Technology Square, also known as Unit 300 of the Condominium described in Exhibit B . |
| Project: | The real property on which the Building is located, also known as Technology Square Condominium (the " Condominium "), together with all improvements thereon and appurtenances thereto from time to time located thereon in the City of Cambridge, Middlesex County, Commonwealth of Massachusetts, as described on Exhibit B . The Landlord reserves the right to modify the Condominium at any time and from time to time, but the parties acknowledge the Condominium presently consists of Units 100, 200, 300, 400, 500, 600 and 700 (also known as Buildings 100, 200, 300, 400, 500, 600 and 700), as well as specified common areas on the Condominium (including the Technology Square Garage). |
| Base Rent: | \$81.00 per rentable square foot of the Premises per year, subject to annual increases pursuant to <u>Section 4</u> hereof. |
| Rentable Area of Premises: | 9,836 sq. ft. |
| Rentable Area of Building: | 175,609 sq. ft. Tenant's Share of Operating Expenses: 5.60% |
| Rentable Area of Project: | 1,181,635 sq. ft. Building's Share of Project: 14.86% |
| Security Deposit: | \$199,179.00 (equal to 3 months of Base Rent) |
| Target Commencement Date: | May 1, 2018, subject to extension pursuant to the penultimate paragraph of <u>Section 2</u> . |
| Rent Adjustment Percentage: | 3% |
| Base Term: | Beginning on the Commencement Date and ending 60 months from the first day of the first full month after the Commencement Date (as defined in <u>Section 2</u>) hereof. For clarity, if the Commencement Date occurs on the first day of a month, the Base Term shall be measured from that date. If the Commencement Date occurs on a day other than the first day of a month, the Base Term shall be measured from the first day of the following month. |
| Permitted Use: | Research and development laboratory, related office and other related uses consistent with the current character of the Project and otherwise in compliance with the provisions of <u>Section 7</u> hereof. |



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Address for Rent Payment:

ARE-Tech Square, LLC
P.O. Box 791051
Baltimore, MD 21279-1051

Landlord's Notice Address:

385 East Colorado Boulevard, Suite 299
Pasadena, CA 91101
Attention: Corporate Secretary

Tenant's Notice Address Prior to the Commencement Date:

c/o Atlas Venture
400 Technology Square, 10th Floor
Cambridge, MA 01239
Attention: Kymera Therapeutics Operations

Tenant's Notice Address Following the Commencement Date:

300 Technology Square, Suite 203
Cambridge, MA 01239
Attention: Operations

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

- | | |
|--|---|
| <input checked="" type="checkbox"/> EXHIBIT A - PREMISES DESCRIPTION | <input checked="" type="checkbox"/> EXHIBIT B - DESCRIPTION OF PROJECT |
| <input checked="" type="checkbox"/> EXHIBIT C -WORK LETTER | <input checked="" type="checkbox"/> EXHIBIT D - COMMENCEMENT DATE |
| <input checked="" type="checkbox"/> EXHIBIT E - RULES AND REGULATIONS | <input checked="" type="checkbox"/> EXHIBIT F - TENANT'S PERSONAL PROPERTY |

1. Lease of Premises. Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas.**" The Common Areas shall include, without limitation, all common lobbies, entrances, stairs, elevators, restrooms, walkways, sidewalks, loading areas and recreation areas located at the Project. Tenant will have the non-exclusive right to use the Common Areas. Landlord reserves the right to modify Common Areas, provided that such modifications do not materially adversely affect Tenant's use of the Premises for the Permitted Use. From and after the Commencement Date through the expiration of the Term, Tenant shall have access to the Building, the Premises and the Technology Square Garage 24 hours a day, 7 days a week, except in the case of emergencies, as the result of Legal Requirements, the performance by Landlord of any installation, maintenance or repairs, or any other temporary interruptions, and otherwise subject to the terms of this Lease.

2. Delivery; Acceptance of Premises; Commencement Date. Landlord shall use reasonable efforts to make the Premises available to Tenant for Tenant Improvements under the Work Letter by the Target Commencement Date ("**Delivery**" or "**Deliver**"). Prior to Delivery, Tenant shall deliver to Landlord evidence of the insurance required hereby and by the Work Letter. If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. Notwithstanding anything to the contrary contained herein, if Landlord fails to Deliver the Premises to Tenant by January 1, 2019 (as such date may be extended for Force Majeure), then Base Rent payable with respect to the Premises shall be abated 1 day for each day after January 1, 2019 (as such date may be extended for Force Majeure) that Landlord fails to Deliver the Premises to Tenant. If Landlord does not Deliver the Premises by March 1, 2019, for any reason other than Force Majeure delays, this Lease may be terminated by Landlord or Tenant by written notice to the other, and if so terminated by either: (a) the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the term "**Tenant Improvements**" shall have the meaning set forth for such term in the Work Letter. If neither Landlord nor Tenant elects to void this Lease by March 8, 2019, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.



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The “**Commencement Date**” shall be the date Landlord Delivers the Premises to Tenant. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date and the expiration date of the Term when such are established in the form of the “Acknowledgement of Commencement Date” attached to this Lease as **Exhibit D**; provided, however, Tenant’s failure to execute and deliver such acknowledgment shall not affect Landlord’s rights hereunder. The “**Term**” of this Lease shall be the Base Term, as defined *above* on the first page of this Lease and any Extension Term which Tenant may elect pursuant to Section 39 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 7 hereof); (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) Tenant’s taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent and Operating Expenses.

Notwithstanding anything to the contrary contained in this Lease, Tenant and Landlord acknowledge and agree that the Target Commencement Date of May 1, 2018, shall be subject to the following condition precedent (“**Condition Precedent**”) having been satisfied: Landlord shall have entered into a lease termination agreement (“**Termination Agreement**”) on or before March 15, 2018, with the existing tenant of the Premises which Termination Agreement shall be on terms and conditions acceptable to Landlord, in Landlord’s sole and absolute discretion. In the *event* that the Condition Precedent is not satisfied, then the Target Commencement Date shall become December 1, 2018. Landlord shall have no liability whatsoever to Tenant relating to or arising from Landlord’s inability or failure to cause the Condition Precedent to be satisfied.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant’s business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant’s representations, warranties, acknowledgments and agreements contained herein.

3. Rent.

(a) **Base Rent.** The first month’s Base Rent and the Security Deposit shall be due and payable on delivery of an executed copy of this Lease to Landlord. Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth *above*, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

(b) **Additional Rent.** In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent (“**Additional Rent**”): (i) commencing on the Commencement Date, Tenant’s Share of “Operating Expenses” (as defined in Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.



4. Base Rent Adjustments. Base Rent shall be increased on each annual anniversary of the Commencement Date (each an “**Adjustment Date**”) by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. Operating Expense Payments. Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term (the “**Annual Estimate**”), which may be revised by Landlord from time to time during such calendar year. Commencing on the Commencement Date and continuing thereafter on the first day of each month during the Term, Tenant shall pay Landlord an amount equal to 1/12th of Tenant’s Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term “**Operating Expenses**” means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Building (including the Building’s Share of Project of all other costs and expenses of any kind or description incurred or accrued by Landlord with respect to the Project and the Condominium (including without limitation all costs of compliance with the PTDM, as hereinafter defined) which are not specific to the Building or any other building located in the Project) (including, without duplication, Taxes (as defined in Section 9), capital repairs, replacements and improvements amortized over the lesser of 10 years or the useful life of such capital items, adjusted to reflect Building operations 24 hours per day, 7 days per week and 365 days per year (provided that those Operating Expenses incurred or accrued by Landlord with respect to any capital repairs, replacements or improvements which are for the intended purpose of promoting sustainability (for example, without limitation, by reducing energy usage at the Project) (a “**Capital Sustainability Expenditure**”) may be amortized over a shorter period, at Landlord’s discretion, to the extent the cost of a Capital Sustainability Expenditure is offset by a reduction in Operating Expenses), excluding only:

- (a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;
- (b) capital expenditures for expansion of the Project;
- (c) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;
- (d) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses);
- (e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;
- (f) legal and other expenses incurred in the negotiation or enforcement of leases;
- (g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;



(h) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(i) salaries, wages, benefits and other compensation paid to (i) personnel of Landlord or its agents or contractors above the position of the person, regardless of title, who has day-to-day management responsibility for the Project or (ii) officers and employees of Landlord or its affiliates who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project; provided, however, that with respect to any such person who does not devote substantially all of his or her employed time to the Project, the salaries, wages, benefits and other compensation of such person shall be prorated to reflect time spent on matters related to operating, managing, maintaining or repairing the Project in comparison to the time spent on matters unrelated to operating, managing, maintaining or repairing the Project;

(j) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(k) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(l) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in [Section 7](#));

(m) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(n) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(o) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(p) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(q) costs incurred in the sale or refinancing of the Project;

(r) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein; and

(s) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project.

In addition to the Operating Expenses payable by Tenant pursuant to this [Section 5](#), Tenant shall pay to Landlord administration rent in the amount of 3% of Base Rent and such management fee shall be reflected as a separate line item on the Annual Statement (as defined below).



Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. Landlord's and Tenant's obligations to pay any overpayments or deficiencies due pursuant to this paragraph shall survive the expiration or earlier termination of this Lease.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 90 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such 90 day period, Tenant reasonably and in good faith questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**"). If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have an independent public accounting firm selected by Tenant from among the 4 largest in the United States, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**"). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5% then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Building is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year shall be computed as though the Building had been 95% occupied on average during such year.

"**Tenant's Share**" shall be the percentage set forth in the Basic Lease Provisions as Tenant's Share as reasonably adjusted by Landlord for changes in the physical size of the Premises, Building or Project occurring thereafter. Landlord may equitably increase Tenant's Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**."



6. **Security Deposit.** Tenant shall deposit with Landlord, 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 on page 1 of this Lease, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the “**Letter of Credit**”): (i) in form and substance 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 in the Commonwealth of Massachusetts. If Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least 10 days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit. The Security Deposit shall be held by Landlord as security for the performance of Tenant’s obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord’s damages in case of Tenant’s default. Upon each occurrence of a Default (as defined in [Section 20](#)), Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Landlord’s right to use the Security Deposit under this [Section 6](#) includes the right to use the Security Deposit to pay future rent damages following the termination of this Lease pursuant to [Section 21\(c\)](#) below. Upon any such use of all or any portion of the Security Deposit, Tenant shall pay Landlord on demand the amount that will restore the Security Deposit to the amount set forth on Page 1 of this Lease. Tenant hereby waives the provisions of any law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. Upon any such use of all or any portion of the Security Deposit, Tenant shall, within 5 business days after written 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 60 days after the expiration or earlier termination of this Lease.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord’s obligations under this [Section 6](#), or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant’s right to the return of the Security Deposit shall apply solely against Landlord’s transferee. The Security Deposit is not an advance rental deposit or a measure of Landlord’s damages in case of Tenant’s default. Landlord’s obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon.

7. **Use.** The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, “**ADA**”) (collectively, “**Legal Requirements**” and each, a “**Legal Requirement**”). Tenant shall, upon 5 days’ written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in [Section 9](#)) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant’s or Landlord’s insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. Tenant shall not permit any part of the Premises to be used as a “place of public accommodation”, as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon



demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use.

Landlord has disclosed to Tenant that the Project is the subject of an Activity and Use Limitation, which is incorporated herein by reference, and Tenant acknowledges receipt of a copy of such Activity and Use Limitation prior to execution of this Lease.

Landlord shall be responsible for the compliance of the Common Areas of the Project with Legal Requirements as of the Commencement Date. Following the Commencement Date, Landlord shall, as an Operating Expense (to the extent such Legal Requirement is not triggered by reason of Tenant's (as compared to other tenants of the Project) specific use of the Premises or Tenant's Alterations (as defined in Section 12 hereof)) and at Tenant's expense (to the extent such Legal Requirement is triggered by reason of Tenant's, as compared to other tenants of the Project, specific use of the Premises or Tenant's Alterations) make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements. Tenant, at its sole expense, shall make any alterations or modifications to the interior or the exterior of the Premises or the Project that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) related to Tenant's particular use or occupancy of the Premises. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Legal Requirements, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement.

Tenant acknowledges that Landlord may, but shall not be obligated to, seek to obtain Leadership in Energy and Environmental Design (LEED), WELL Building Standard, or other similar "green" certification with respect to the Project and/or the Premises, and Tenant agrees to reasonably cooperate with Landlord, and to provide such information and/or documentation as Landlord may reasonably request, in connection therewith.

8. Holding Over. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of



Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this [Section 8](#) shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. Taxes. Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by, any Governmental Authority, (v) imposed as a license or other fee, charge, tax or assessment on Landlord's business or occupation of leasing space in the Project, or (vi) assessed or imposed by or on the operation or maintenance of any portion or whole of the Condominium (provided that to the extent any Taxes are assessed against the Condominium as a whole, such amounts shall be allocated among the buildings located in the Condominium based on the square footage of the buildings in question, unless Landlord reasonably determines that such allocation should be made on another basis). Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes or franchise, estate, inheritance, succession, gift, excess profit or any federal, state or local documentary taxes imposed against the Project except to the extent such taxes are in substitution for any Taxes payable hereunder, or any penalties for late payment of Taxes. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributed by the taxing authority to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. Parking. Subject to all matters of record, Force Majeure, a Taking (as defined in [Section 19](#) below) and the exercise by Landlord of its rights hereunder, Landlord shall make available and at all times during the Term Tenant shall take and pay for the right to use 8 unreserved parking spaces in the Technology Square Garage on a non-exclusive basis at market rates in those areas designated for non-reserved parking, subject in each case to Landlord's rules and regulations (which rules and regulations shall not be enforced in a discriminatory manner). Commencing on the Commencement Date, Tenant shall pay to Landlord or as directed by Landlord, monthly as Additional Rent hereunder, the market rate for each parking space, as reasonably determined by Landlord from time to time, which as of the date hereof shall be \$325.00 per space per month. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project. Tenant shall, at Tenant's sole expense, for so long as the Parking and Traffic Demand Management Plan dated May 9, 1999 as approved by the City of Cambridge on July 9, 1999, including the conditions set forth in such



approval (as amended from time to time, the “PTDM”), remains applicable to the Condominium, (i) offer to subsidize mass transit monthly passes for all of its employees; (ii) implement a Commuter Choice Program; (iii) discourage single-occupant vehicle use by its employees; (iv) promote alternative modes of transportation and use of alternative work hours; (v) meet with Landlord and/or its representatives no more than quarterly discuss transportation programs and initiatives; (vi) participate in annual surveys monitoring transportation programs and initiatives at Technology Square; (vii) cooperate with Landlord in connection with transportation programs and initiatives promulgated pursuant to the PTDM; (viii) provide alternative work programs (such as telecommuting, flex-time and compressed work weeks) to its employees in order to reduce traffic impacts in Cambridge during peak commuter hours; and (ix) otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation.

11. Utilities, Services.

(a) **General.** Landlord shall provide, subject to the terms of this Section 11, water, electricity, HVAC, light, power, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), 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. The Premises are separately metered to measure Tenant’s usage of electricity for lights and plugs in the Premises. Landlord may cause, at Tenant’s expense, any other 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 other than Landlord’s willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use.

Notwithstanding anything to the contrary set forth herein, if (i) a stoppage of an Essential Service (as defined below) to the Premises shall occur and such stoppage is due solely to the gross negligence or willful misconduct of Landlord and not due in any part to any act or omission on the part of Tenant or any Tenant Party or any matter beyond Landlord’s reasonable control (any such stoppage of an Essential Service being hereinafter referred to as a “**Service Interruption**”), and (ii) such Service Interruption continues for more than 5 consecutive business days after Landlord shall have received written notice thereof from Tenant, and (iii) as a result of such Service Interruption, the conduct of Tenant’s normal operations in the Premises are materially and adversely affected, then there shall be an abatement of one day’s Base Rent for each day during which such Service Interruption continues after such 5 business day period; provided, however, that if any part of the Premises is reasonably useable for Tenant’s normal business operations or if Tenant conducts all or any part of its operations in any portion of the Premises notwithstanding such Service Interruption, then the amount of each daily abatement of Base Rent shall only be proportionate to the nature and extent of the interruption of Tenant’s normal operations or ability to use the Premises. The rights granted to Tenant under this paragraph shall be Tenant’s sole and exclusive remedy resulting from a failure of Landlord to provide services, and Landlord shall not otherwise be liable for any loss or damage suffered or sustained by Tenant resulting from any failure or cessation of services. For purposes hereof, the term “**Essential Services**” shall mean the following services: HVAC service, water, sewer and electricity, but in each case only to the extent that Landlord has an obligation to provide same to Tenant under this Lease. The provisions of this paragraph shall only apply as long as the original Tenant is the tenant occupying the Premises under this Lease and shall not apply to any assignee or sublessee.

Tenant agrees to provide Landlord with access to Tenant’s water and/or energy usage data on a monthly basis, either by providing Tenant’s applicable utility login credentials to Landlord’s Measurable online portal, or by another delivery method reasonably agreed to by Landlord and Tenant. The costs and expenses incurred by Landlord in connection with receiving and analyzing such water and/or energy usage data (including, without limitation, as may be required pursuant to applicable Legal Requirements) shall be included as part of Operating Expenses.



(b) **Emergency Generator.** Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be: (i) to provide emergency generators with not less than the capacity of the emergency generators located in the Building as of the Commencement Date, and (ii) to contract with a third party to maintain the emergency generators as per the manufacturer's standard maintenance guidelines. Except as otherwise provided in the immediately preceding sentence, Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Tenant acknowledges and agrees that (x) in connection with the proper verification of loads and maintenance of the emergency generators, that power will need to be transferred during routine testing, and (y) Tenant is responsible for cooperating with Landlord or Landlord's third party contractor with respect to scheduling such routine tests and checking its own equipment loads as it operates during load transfer periods. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed.

(c) **Compressed Air and Vacuum.** Landlord's sole obligation for either providing compressed air and vacuum systems to Tenant shall be to contract with a third party to maintain the compressed air and vacuum systems as per the manufacturer's standard maintenance guidelines. Landlord shall have no obligation to supervise, oversee or confirm that the third party maintaining the compressed air and vacuum systems is maintaining the compressed air and vacuum systems as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the compressed air and vacuum systems when the compressed air and vacuum systems are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative compressed air and vacuum systems. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such compressed air and vacuum systems will be operational at all times or that compressed air and vacuum systems will be available to the Premises when needed.

(d) **Acid Neutralization System.** Landlord shall provide Tenant with access to the acid neutralization system existing as of the date of this Lease ("**Acid Neutralization System**") pursuant to the terms and conditions of this Lease. Tenant acknowledges and agrees that the Acid Neutralization System shall be shared with other tenants of the Project. Tenant's obligation to pay its share of ongoing operation costs shall be allocated among Tenant and other user tenants on a pro rata basis, with Tenant's share based on the ratio of the rentable square footage of the Premises to the sum of the rentable square footages of the Premises and the premises of all other user tenants. Landlord's sole obligations for providing the Acid Neutralization System, or any acid neutralization system facilities, to Tenant shall be (the "**Acid Neutralization Obligations**") to (i) use reasonable efforts to obtain and maintain the permit required from the Massachusetts Water Resources Authority for discharge through the Acid Neutralization System (the "**Discharge Permit**"), provided that Tenant cooperates with Landlord and provides all information and documents necessary in connection with the Discharge Permit, and (ii) contract with a third party to maintain the Acid Neutralization System as operating as per the manufacturer's standard maintenance guidelines. Notwithstanding anything herein to the contrary, if the Acid Neutralization System must be replaced and the cost thereof is not included in such third party maintenance contract, then, Landlord shall replace the Acid Neutralization System, it being acknowledged, however, that Tenant shall be responsible for its share of all costs incurred in connection as an Operating Expense.



Tenant shall be solely responsible for the use of the Acid Neutralization System by Tenant, its employees, any sublessees, invitees or any party other than Landlord or Landlord's contractors, and Tenant shall be jointly and severally responsible for the use of the Acid Neutralization System with the other user tenants. Tenant shall use, and cause other parties under its control or for which it is responsible to use, the Acid Neutralization System in accordance with this Lease and in accordance with all applicable Legal Requirements, the Discharge Permit and any permits and approvals from Governmental Authorities for or applicable to Tenant's use of the Acid Neutralization System. Tenant shall not take any action or make any omission that would result in a violation of the Discharge Permit or any other permit or Legal Requirements applicable to the Acid Neutralization System. The scope of the Surrender Plan (as defined in [Section 28](#) of this Lease) shall include all actions for the proper cleaning, decommissioning and cessation of Tenant's use of the Acid Neutralization System, and all requirements under this Lease for the surrender of the Premises shall also apply to Tenant's cessation of use of the Acid Neutralization System, in each case whether at Lease expiration, termination or prior thereto (but Tenant shall not be required to complete the decommissioning of the Acid Neutralization System if other tenants or occupants will continue to use the same after the expiration or earlier termination of the Lease, nor shall Tenant be responsible for or bear any costs of decommissioning arising from the use of the Acid Neutralization System by any party other than Tenant; it being agreed that if multiple tenants use the Acid Neutralization System, then Landlord shall be responsible for completing the decommissioning thereof, and Tenant shall pay to Landlord within thirty (30) days after invoice therefor Tenant's share of the reasonable, actual costs of decommissioning based on the ratio of the rentable square footage of the Premises to the rentable square footage of the Premises and the premises of all other user tenants). The obligations of Tenant under this Lease with respect to the Acid Neutralization System shall be joint and several with such other tenants as aforesaid, except in the event that Tenant can prove to Landlord's reasonable satisfaction that neither Tenant nor any Tenant Party caused, contributed to or exacerbated the matter for which Tenant would otherwise be responsible but for this exception. Without in any way limiting the Acid Neutralization Obligations, Landlord shall have no obligation to provide Tenant with operational emergency or back-up acid neutralization facilities or to supervise, oversee or confirm that the third party maintaining the Acid Neutralization System is maintaining such system as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the Acid Neutralization System when such system is not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up system or facilities. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such Acid Neutralization System will be operational at all times or that such system will be available to the Premises when needed. Without in any way limiting the Acid Neutralization Obligations, in no event shall Landlord be liable to Tenant or any other party for any damages of any type, whether actual or consequential, suffered by Tenant or any such other person in the event that the Acid Neutralization System or back-up system, if any, or any replacement thereof fails or does not operate in a manner that meets Tenant's requirements.

12. Alterations and Tenant's Property. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in [Section 13](#)) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems, but which shall otherwise not be unreasonably withheld, conditioned or delayed. Tenant may construct cosmetic, non-structural Alterations in the Premises without Landlord's prior approval if the aggregate cost of all such work in any 12 month period does not exceed \$20,000 (a "**Notice-Only Alteration**"), provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied with plans, specifications, work contracts and such other information concerning the nature and cost of the Notice-Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than 15 business days in advance of any proposed construction. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and



completion of such Alterations as Landlord may deem appropriate in Landlord's sole and absolute discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, within 30 days of written demand from Landlord an amount equal to Landlord's reasonable out-of-pocket expenses for third party plan review, coordination, scheduling and supervision incurred by Landlord with respect to each Alteration. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup.

Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

Except for Removable Installations (as hereinafter defined), all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time its approval of any such Installation is requested, or at the time it receives notice of a Notice-Only Alteration, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant.

For purposes of this Lease, (x) "**Removable Installations**" means any items listed on **Exhibit F** attached hereto and any items agreed by Landlord in writing to be included on **Exhibit F** in the future, (y) "**Tenant's Property**" means Removable Installations and, other than Installations, any personal property or equipment of Tenant that may be removed without material damage to the Premises, and (z) "**Installations**" means all property of any kind paid for with the TI Fund, all Alterations, all fixtures, and all partitions, hardware, built-in machinery, built-in casework and cabinets and other similar additions, equipment, property and improvements built into the Premises so as to become an integral part of the Premises, including, without limitation, 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.



13. **Landlord's Repairs.** Landlord, as an Operating Expense, shall maintain and repair all of the structural, exterior, parking and other Common Areas of the Building and 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 order and repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant, or by any of Tenant's assignees, sublessees, licensees, agents, servants, employees, invitees and contractors (or any of Tenant's assignees, sublessees and/or licensees respective agents, servants, employees, invitees and contractors) (collectively, "**Tenant Parties**") excluded. Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 48 hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall have a reasonable opportunity to effect such repair within a reasonable time period. Landlord shall use reasonable efforts to minimize interference with Tenant's operations in the Premises during such planned stoppages of Building Systems. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Repairs.** Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition all non-structural portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls, reasonable wear and tear and damage by casualty excepted. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens.** Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 15 days after Tenant receives written notice of the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant.



16. **Indemnification.** Subject to the penultimate paragraph of Section 17, Tenant hereby indemnifies and agrees to defend, save and hold Landlord, its officers, directors, employees, managers, agents, sub-agents, constituent entities and lease signators (collectively, "**Landlord Indemnified Parties**") harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises, arising directly or indirectly out of use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder, except to the extent caused by the willful misconduct or negligence of Landlord Indemnified Parties. Landlord Indemnified Parties shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord Indemnified Parties shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

17. **Insurance.** Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than \$2,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's particular use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with employers liability limits of \$1,000,000 bodily injury by accident - each accident, \$1,000,000 bodily injury by disease - policy limit, and \$1,000,000 bodily injury by disease - each employee; and commercial general liability insurance, with a minimum limit of not less than \$2,000,000 per occurrence for bodily injury and property damage with respect to the Premises. The commercial general liability insurance maintained by Tenant shall name Alexandria Real Estate Equities, Inc., and Landlord, its officers, directors, employees, managers, agents, sub-agents, constituent entities and lease signators (collectively, "**Landlord Insured Parties**"), as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium unless 30 days prior written notice shall have been given to Landlord from the insurer; not contain a hostile fire exclusion; contain a contractual liability endorsement; and provide primary coverage to Landlord Insured Parties (any policy issued to Landlord Insured Parties providing duplicate or similar coverage shall be deemed excess over Tenant's policies, regardless of limits). 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 prior to (i) the earlier to occur of (x) the Commencement Date, or (y) the date that Tenant accesses the Premises under this Lease, and (ii) 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.



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In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to the following parties (collectively "**Additional Insured Parties**"): (i) any lender of Landlord holding a security interest in the Project or any portion thereof and any servicer in connection therewith, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, (iii) any management company retained by Landlord to manage the Project, (iv) the condominium association with respect to the Condominium, (v) any member, partner or shareholder of Landlord or the owner of any beneficial interest therein and/or (vi) any other party reasonably designated by Landlord.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project.

18. **Restoration.** If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**"). If the Restoration Period is estimated to exceed 9 months (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 10 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant except to the extent to which Landlord receives insurance proceeds for the restoration of improvements from the insurance required to be maintained under [Section 17](#)), in which case such improvements shall be included as part of Landlord's restoration), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in [Section 30](#)) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration, or Tenant may by written notice to Landlord delivered within 10 business days after the expiration of the Maximum Restoration Period, or if longer, the Restoration Period, elect to terminate this Lease, in either of which events Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant.



Tenant, at its expense, following the date that Landlord makes the Premises available to Tenant for Tenant's repairs or restoration, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Materials Clearances, all Alterations and other improvements installed by Tenant or installed by Landlord and paid for by Tenant. Promptly upon the substantial completion of such Alterations and other improvements, Tenant shall commence doing business in accordance with this Lease. Notwithstanding the foregoing, either Landlord or Tenant may terminate this Lease upon written notice to the other if the Premises are damaged during the last year of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage; provided, however, that such notice is delivered within 10 business days after the date that Landlord provides Tenant with written notice of the estimated Restoration Period. Notwithstanding anything to the contrary contained herein, Landlord shall also have the right to terminate this Lease if insurance proceeds are not available for such restoration, provided that such unavailability of insurance proceeds is not the result of Landlord's failure to maintain the insurance policies required to be maintained by Landlord under Section 17. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is suitable for the temporary conduct of Tenant's business. In the event that no Hazardous Materials Clearances are required to be obtained with respect to such fire or other casualty, rent abatement shall commence as of the date of discovery of the damage or destruction. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. Condemnation. If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would in Landlord's reasonable judgment either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by Landlord this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.



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20. **Events of Default.** Each of the following events shall be a default (“Default”) by Tenant under this Lease:

(a) **Payment Defaults.** Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 5 business days of any such notice not more than twice in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law.

(b) **Insurance.** Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 20 days before the expiration of the current coverage.

(c) **Abandonment.** Tenant shall abandon the Premises. Tenant shall not be deemed to have abandoned the Premises if (i) Tenant provides Landlord with reasonable advance notice prior to vacating and, at the time of vacating the Premises, Tenant completes Tenant’s obligations with respect to the Surrender Plan in compliance with Section 28, (ii) Tenant has made reasonable arrangements with Landlord for the security of the Premises for the balance of the Term, and (iii) Tenant continues during the balance of the Term to satisfy all of its obligations under the Lease as they come due.

(d) **Improper Transfer.** Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant’s interest in this Lease or the Premises except as expressly permitted herein, or Tenant’s interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens.** Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 15 days after Tenant receives written notice that any such lien is filed against the Premises.

(f) **Insolvency Events.** Tenant or any guarantor or surety of Tenant’s obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a “**Proceeding for Relief**”); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement.** Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 days after a second notice requesting such document.

(h) **Other Defaults.** Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant’s default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30 day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 60 days from the date of Landlord’s notice.



21. Landlord's Remedies.

(a) **Payment By Landlord; Interest.** Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act to the extent necessary to cure such 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 of 6% of the overdue Rent as a late charge. Notwithstanding the foregoing, before assessing a late charge the first time in any calendar year, Landlord shall provide Tenant written notice of the delinquency and will waive the right if Tenant pays such delinquency within 5 days thereafter. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies.** Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever (except as otherwise expressly provided in Section 21(c)(v) with respect to Landlord's Lump Sum Election). No cure in whole or in part of such Default by Tenant after Landlord has taken any action beyond giving Tenant notice of such Default to pursue any remedy provided for herein (including retaining counsel to file an action or otherwise pursue any remedies) shall in any way affect Landlord's right to pursue such remedy or any other remedy provided Landlord herein or under law or in equity, unless Landlord, in its sole discretion, elects to waive such Default.

(i) This Lease and the Term and estate hereby granted are subject to the limitation that whenever a Default shall have happened and be continuing, Landlord shall have the right, at its election, then or thereafter while any such Default shall continue and notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to give Tenant written notice of Landlord's intention to terminate this Lease on a date specified in such notice, which date shall be not less than 5 days after the giving of such notice, and upon the date so specified, this Lease and the estate hereby granted shall expire and terminate with the same force and effect as if the date specified in such notice were the date hereinbefore fixed for the expiration of this Lease, and all rights of Tenant hereunder shall expire and terminate, and Tenant shall be liable as hereinafter in this Section 21(c) provided. If any such notice is given, Landlord shall have, on such date so specified, the right of re-entry and possession of the Premises and the right to remove all persons and property therefrom and to store such property in a warehouse or elsewhere at the risk and expense, and for the account, of Tenant. Should Landlord elect to re-enter as herein provided or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may, subject to Section 21(c)(ii) 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) Landlord shall be deemed to have satisfied any obligation to mitigate its damages by hiring an experienced commercial real estate broker to market the Premises and directing such broker to advertise and show the Premises to prospective tenants.

(iii) In the event of any termination of this Lease as in this [Section 21](#) provided or as required or permitted by law or in equity, Tenant shall forthwith quit and surrender the Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or otherwise, and again have, repossess and enjoy the same free of any rights of Tenant, 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.

(iv) If this Lease is terminated or if Landlord shall re-enter the Premises as aforesaid, or in the event of the termination of this Lease, or of re-entry, by or under any proceeding or action or any provision of law by reason of a Default by Tenant, Tenant covenants and agrees forthwith to pay and be liable for, on the days originally fixed in this Lease for the payment thereof, amounts equal to the installments of Base Rent and all Additional Rent as they would, under the terms of this Lease become due if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for a period less than the remainder of the Term, or for the whole thereof, but in the event that the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent and other charges received by Landlord in reletting, after deduction of all of Landlord's expenses incurred in reletting the Premises (including, without limitation, tenant improvement, demising and remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith, in the following manner: Amounts received by Landlord after reletting, if any, shall first be applied against such Landlord's expenses, until the same are recovered, and until such recovery, Tenant shall pay, as of each day when a payment would fall due under this Lease, the amount which Tenant is obligated to pay under the terms of this Lease (Tenant's liability prior to any such reletting and such recovery by Landlord no in any way to be diminished as a result of the fact that such reletting might be for a rent higher than the rent provided for in this Lease); when and if such expenses have been completely recovered by Landlord, the amounts received from reletting by Landlord as have not previously been applied shall be credited against Tenant's obligations as of each day when a payment would fall due under this Lease, and only the net amount thereof shall be payable by Tenant. Further, Tenant shall not be entitled to any credit of any kind for any period after the date when the Term of this Lease is scheduled to expire according to its terms.

Actions, proceedings or suits for the recovery of damages, whether liquidated or other damages, under this Lease, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired if it had not been terminated hereunder.

(v) In addition, Landlord, at its election, notwithstanding any other provision of this Lease, by written notice to Tenant (the "Lump Sum Election"), shall be entitled to recover from Tenant, as and for liquidated damages, at any time following any termination of this Lease, a lump sum payment representing, at the time of Landlord's written notice of its Lump Sum Election, the sum of:

(A) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the amount of unpaid Base Rent and Additional Rent that would have been payable pursuant to this Lease for the remainder of the Term following Landlord's Lump Sum Election if this Lease had not been terminated, and



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(B) 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

(C) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the aggregate net fair market rent plus additional charges payable for the Premises (if less than the then present value of Base Rent and Additional Rent that would have been payable pursuant to this Lease) for the remainder of the Term following Landlord's Lump Sum Election, calculated as of the date of Landlord's Lump Sum Election, and taking into account reasonable estimates of the future costs to relet any then vacant portions of the Premises (except to the extent that Tenant has actually paid such costs pursuant to this Section 21) in order to calculate the net rental revenue that Landlord may expect to obtain for the Premises for the balance of the Term.

Landlord's recovery under its Lump Sum Election shall be in addition to Tenant's obligations to pay Base Rent and Additional Rent due and costs incurred prior to the date of Landlord's Lump Sum Election, and in lieu of any Base Rent and Additional Rent which would otherwise have been due under this Section from and after the date of Landlord's Lump Sum Election. The yield to maturity on United States Treasury Notes having a maturity date that is nearest the date that would have been the last day of the Term of the Lease, as reported in The Wall Street Journal or a comparable publication if it ceases to publish such yields, shall be used in calculating present values for purposes of Landlord's Lump Sum Election. For the purposes of this Section, if Landlord makes the Lump Sum Election to recover liquidated damages in accordance with this Section, the total Additional Rent shall be computed based upon Landlord's reasonable estimate of Tenant's Share of Operating Expenses and other Additional Rent for each 12-month period in what would have been the remainder of the Term of the Lease and any part thereof at the end of such remainder of the Term, but in no event less than the amounts therefor payable for the twelve (12) calendar months (or if less than twelve (12) calendar months have elapsed since the date hereof, the partial year) immediately preceding the date of Landlord's Lump Sum Election. Amounts of Tenant's Share of Operating Expenses and any other Additional Rent for any partial year at the beginning of the Term or at the end of what would have been the remainder of the Term shall be prorated.

(vi) 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.

(vii) Nothing in this Section 21 shall be deemed to affect the right of either party to indemnifications pursuant to this Lease.

(viii) 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.

(ix) If either party shall be in default in the observance or performance of any provision of this Lease, and an action shall be brought for the enforcement thereof, the non-prevailing party shall pay to the prevailing party all fees, costs and other expenses which may become payable as a result thereof or in connection therewith, including attorneys' fees and expenses.



(x) If default by Tenant shall occur 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 with only such notice, if any, as may be practicable under the circumstances in the case of an 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 or the Project not discharged, released or bonded over to Landlord's satisfaction by Tenant within the time period required pursuant to Section 15 of this Lease, and (b) in any other case if such default continues after any applicable notice and cure period provided in Section 20. 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 dispossession 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.

(xi) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d), at Tenant's expense to the extent provided in Section 39(d).

(xii) 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 within 10 days of demand for any out of pocket costs and expenses that Landlord may incur in connection with any such breach or Default, as provided in this Section 21(c). Such costs shall include reasonable 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, reasonable 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, 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.

(xiii) Except as otherwise provided in this Section 21, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder, or now or hereafter existing. No waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressly so made in writing by Landlord expressly waiving such provision. 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. Notwithstanding any contrary provision of this Lease, Tenant shall not be liable to Landlord for any indirect, special or consequential damages, arising from a default by Tenant under this Lease; provided that this sentence shall not apply to Landlord's damages (x) as expressly provided for in Section 8, and/or (y) in connection with Tenant's obligations as more fully set forth in Section 30. In no event shall the foregoing limit the damages to which Landlord is entitled under this Section 21 including, without limitation, the liquidated damages provided for in Section 21(c)(ii).

22. Assignment and Subletting.

(a) **General Prohibition.** Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded



upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 50% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding the foregoing, Tenant shall have the right to obtain financing from institutional or individual investors (including venture capital funding and corporate partners) which regularly invest in private biotechnology companies or undergo a public offering which results in a change in control of Tenant without such change of control constituting an assignment under this Section 22 requiring Landlord consent, provided that (i) Tenant notifies Landlord in writing of the financing at least 5 business days prior to the closing of the financing, and (ii) provided that in no event shall such financing result in a change in use of the Premises from the use contemplated by Tenant at the commencement of the Term.

(b) **Permitted Transfers.** If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises (or any portion thereof), other than pursuant to a Permitted Assignment (as defined below), then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the “**Assignment Date**”), Tenant shall give Landlord a notice (the “**Assignment Notice**”) containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent, in its sole and absolute discretion, if the proposed assignment, hypothecation or other transfer or subletting concerns more than (together with all other then effective subleases) 50% of the Premises, (iii) refuse such consent, in its reasonable discretion, if the proposed subletting concerns (together with all other then effective subleases) 50% or less of the Premises (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) if Tenant is request for consent to assign the Lease or sublease more than 50% of the Premises for the balance of the remaining Term, terminate this Lease with respect to the space described in the Assignment Notice as of the Assignment Date (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 shall continue in full force and effect. If Tenant does not withdraw 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 Two Thousand Five Hundred Dollars (\$2,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents. 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 greater of the net worth (as determined in accordance with GAAP) of Tenant as of (A) the Commencement Date, or (B) 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 (a “**Permitted Assignment**”).



Notwithstanding anything to the contrary contained in this Lease, Tenant may from time to time enter into license agreements (each, a “**Shared Space Arrangement**”) with respect to up to twenty-five percent (25%) of the Premises in the aggregate with affiliates and partners of Tenant to use portions of the Premises as “**Shared Space Area**” and such license agreements shall not require Landlord’s consent under **Section 22** of this Lease but Tenant shall be required to provide Landlord with a copy of each such license agreement and, prior to the effective date of each such license agreement, Tenant and each licensee shall be required to execute Landlord’s form of acknowledgment pursuant to which Tenant and the licensee acknowledge and agree, among other things, that: (i) the terms of the Shared Space Arrangement are subject and subordinate to the terms of this Lease, (ii) if this Lease terminates, then the Shared Space Arrangement shall terminate concurrently therewith, and (iii) the waivers and releases set forth in the second to last paragraph of **Section 17** that apply as between Landlord and Tenant shall also apply as between Landlord and licensee. Tenant shall be fully responsible for the conduct of such companies within the Shared Space Area and the Project, and Tenant’s indemnification obligations set forth in the Lease shall apply with respect to the conduct of such parties within the Shared Space Area and Project. Tenant shall be required to reimburse Landlord for all reasonable legal expenses incurred by Landlord in connection with each such Shared Space Arrangement.

(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. Except in connection with a Permitted Assignment, if the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs and any design or construction fees



directly related to and required pursuant to the terms of any such sublease) (“**Excess Rent**”), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant’s obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord’s application, may collect such rent and apply it toward Tenant’s obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver.** The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee.** Notwithstanding any other provision of this [Section 22](#), if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party’s action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate.** Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging to the best of Tenant’s knowledge that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be reasonably requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant’s failure to deliver such statement within such time shall, at the option of Landlord, constitute a Default under this Lease and, in any event, shall be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment.** So long as Tenant is not in Default under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations.** All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.



26. **Rules and Regulations.** Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations (notice of which has been delivered to Tenant) at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination.** This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments, ground leases or other superior leases and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust.

28. **Surrender.** Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Surrender Plan**"). Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of-pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed \$5,000. 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; provided, however, that Landlord instructs such parties to treat the same as confidential.



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 actual cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this [Section 28](#).

Upon the expiration or earlier termination of the Term, Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under [Section 30](#) hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

30. Environmental Requirements.

(a) **Prohibition/Compliance/Indemnity.** Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, 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 which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any



investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Building, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Building, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, the Building or the Project. Notwithstanding anything to the contrary contained in [Section 28](#) or this [Section 30](#), Tenant shall not be responsible for, and the indemnification and hold harmless obligations set forth in this paragraph shall not apply to (i) contamination in the Premises which Tenant can prove to Landlord's reasonable satisfaction existed in the Premises prior to the Commencement Date, (ii) the presence of any Hazardous Materials in the Premises which Tenant can prove to Landlord's reasonable satisfaction migrated from outside the Premises into the Premises, or (iii) contamination caused by Landlord or any Landlord's employees, agents and contractors, unless in any case, the presence of such Hazardous Materials (x) is the result of a breach by Tenant of any of its obligations under this Lease, or (y) was caused, contributed to or exacerbated by Tenant or any Tenant Party.

(b) **Business.** Landlord acknowledges that it is not the intent of this [Section 30](#) to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Material is brought onto, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises. Notwithstanding the foregoing, the Hazardous Materials List shall not be required to include Hazardous Materials contained in products customarily used by tenants in de minimis quantities for ordinary cleaning and office purposes. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with [Section 28](#) cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.



(c) **Tenant Representation and Warranty.** Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant or such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing.** Landlord shall have the right to conduct annual tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of Tenant's use. Tenant shall be required to pay the cost of such annual test of the Premises; provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing for which Tenant is responsible under this Section 30 in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant.

(e) **Underground Tanks.** If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(f) **Tenant's Obligations.** Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(g) **Definitions.** As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or



the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the “operator” of Tenant’s “facility” and the “owner” of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant’s Remedies/Limitation of Liability.** Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located (to the extent that Tenant has received notice of the same) and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord’s obligations hereunder.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term “Landlord” in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner’s ownership.

32. **Inspection and Access.** Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other reasonable business purpose. Landlord and Landlord’s representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant’s use or occupancy of the Premises for the Permitted Use. At Landlord’s request, Tenant shall execute such instruments as may be reasonably necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord’s access rights hereunder.

33. **Security.** Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant’s officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant’s cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.



34. **Force Majeure.** Except for the payment of Rent, neither Landlord nor Tenant shall be held responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, sinkholes or subsidence, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond their reasonable control ("**Force Majeure**").

35. **Brokers.** Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than Newmark Knight Frank. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this [Section 35](#), claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

36. **Limitation on Landlord's Liability.** NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable:

38. **Signs; Exterior Appearance.** Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's reasonable discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows with materials not approved by Landlord, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or



exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Interior signs on the floor on which the Premises are located and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Tenant, and shall be in a location and of a size, color and type reasonably acceptable to Landlord. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering. The directory tablet shall be provided exclusively for the display of the name and location of tenants.

39. **Right to Extend Term.** Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) **Extension Rights.** 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 with respect to Base Rent and the Work Letter) by giving Landlord written notice of its election to exercise the Extension Right at least 9 months prior, and no earlier than 12 months prior, to the expiration of the Base Term of the Lease.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, "**Market Rate**" shall mean the then market rental rate for space comparable to the Premises in a building comparable to the Building in East Cambridge, MA as determined by Landlord and agreed to by Tenant or determined by arbitration as provided below. In addition, Landlord may impose a market rent for the parking rights provided hereunder.

If, on or before the date which is 180 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 39(b). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 39(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for the Extension Term.

(b) **Arbitration.**

(i) Within 10 days of Tenant's notice to Landlord of its election (or deemed election) to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension Proposal**"). If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent.



(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An "Arbitrator" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in the greater Cambridge metropolitan area, or (B) a licensed commercial real estate broker with not less than 15 years experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater Cambridge metropolitan area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal.** The Extension Right is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in the Lease, except that they may be assigned in connection with any Permitted Assignment of this Lease.

(d) **Exceptions.** Notwithstanding anything set forth above to the contrary, the Extension Right shall, at Landlord's option, not be in effect and Tenant may not exercise the Extension Right:

(i) during any period of time that Tenant is in Default under any provision of this Lease; or

(ii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during the 12 month period immediately prior to the date that Tenant intends to exercise the Extension Right, whether or not the Defaults are cured.

(e) **No Extensions.** The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Right.

(f) **Termination.** The Extension Right shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of the Extension Right, if, after such exercise, but prior to the commencement date of the Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured.

40. Miscellaneous.

(a) **Notices.** All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.



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(b) **Joint and Several Liability.** If and when included within the term “Tenant,” as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information.** Upon written request from Landlord, Tenant shall furnish Landlord with true and complete copies of (i) Tenant’s most recent unaudited (or, if available, audited) annual financial statements within 90 days of the end of each of Tenant’s fiscal years during the Term, (ii) Tenant’s most recent unaudited quarterly financial statements within 45 days of the end of each of Tenant’s first three fiscal quarters of each of Tenant’s fiscal years during the Term, and (iii) updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant. Notwithstanding the foregoing, other than the financial statements provided for in subsections (i) and (ii) above, in no event shall Tenant be required to provide any financial information to Landlord which Tenant does not otherwise prepare (or cause to be prepared) for its own purposes.

(d) **Recordation.** Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(e) **Interpretation.** The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed.** The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Limitations on Interest.** It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord’s and Tenant’s express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law.** Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(i) **Time.** Time is of the essence as to the performance of Tenant’s obligations under this Lease.

(j) **OFAC.** Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the “OFAC Rules”), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.



(k) **Incorporation by Reference.** All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(l) **Entire Agreement.** This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **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.

(n) **Hazardous Activities.** Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) **Energy Use Reporting.** Tenant agrees to provide, within 10 business days of request by Landlord, such information and documentation as may be needed for compliance with the City of Cambridge Building Energy Use Disclosure Ordinance, Section 8.67.010 et seq. of the Municipal Code of the City of Cambridge (as the same may be amended, the "**Cambridge Building Energy Use Disclosure Ordinance**"), and other such energy or sustainability requirements as may be adopted from time to time by the City of Cambridge or any other governmental authority with jurisdiction over the Building, which information shall include without limitation usage at or by the Premises of electricity, natural gas, steam, hot or chilled water or other energy. Landlord shall report to the applicable governmental authority such energy usage for the Building and other Building information as required by the Cambridge Building Energy Use Disclosure Ordinance.

[Signatures 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:

KYMERA THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Laurent Audoly _____

Its: President & CEO

LANDLORD:

ARE-TECH SQUARE, LLC,
a Delaware limited liability company

By: ARE-MA REGION NO. 31, LLC,
a Delaware limited liability company,
its manager

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS CORP.,
a Maryland corporation,
general partner

By: /s/ Jackie Clem _____

Its: Senior Vice President
RE Legal Affairs

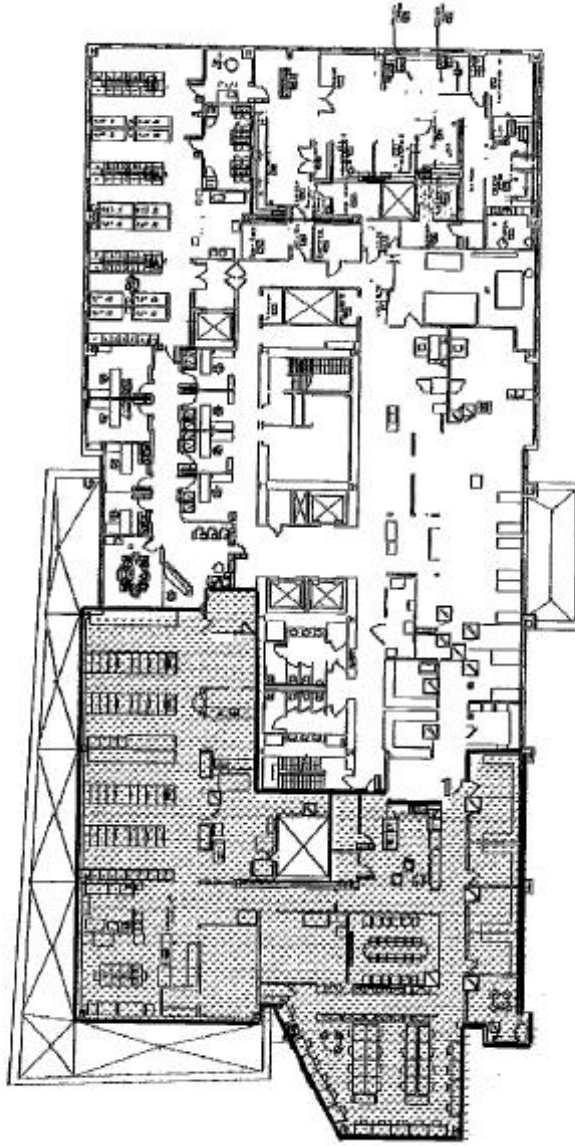


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EXHIBIT A TO LEASE

DESCRIPTION OF PREMISES

Kymera Therapeutics
300 Technology Square, 2nd Floor
9,836 RSF



■ Suite 202 - 9,836 rsf (includes 125 rsf on 1st floor waste neutralization/storage)



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EXHIBIT B TO LEASE**DESCRIPTION OF PROJECT**

The following parcels of land in Cambridge, Middlesex County, Massachusetts:

The Registered Land shown as Lots 15,16 and 19 on Land Court Plan No. 30711E, Lot 43 on Land Court Plan No. 30711J and Lots 46 and 47 on Land Court Plan No. 30711K, and

The Unregistered Land shown as Area No. 1, Area No. 2, Area No. 3, Area No. 4, Area No. 5, Area No. 6, Area No. 7, Area No. 8 and Area No. 9 on a plan entitled "Plan of Land and Easements, Cambridge, Mass." Prepared by Raymond C. Pressey, Inc., dated June 1970 and recorded with the Middlesex South Registry of Deeds in Book 11879, Page 393, Plan 852 (A of 2) of 1970.

Excepting therefrom that portion taken by the Cambridge Redevelopment Authority Eminent Domain Taking dated April 12, 1982 and recorded in Book 14590, Page 221 and that portion taken by the Cambridge Redevelopment Authority Eminent Domain Taking dated January 27, 1983 and recorded in Book 14891, Page 556.

Said parcels are also described as Units 100, 200, 300, 400, 500, 600 and 700 of that certain condominium known as the Technology Square Condominium, as set forth in that certain Master Deed dated November 30, 2000, executed by Technology Square LLC, and recorded with the Registry in Book 32159, at Page 490, and registered with the Land Court as Document No. 1158816, under Certificate of Title No. C404, as the same has been amended by that certain Amendment to Master Deed dated May 28, 2002, and recorded with the Registry as Instrument No. 690 on September 6, 2002, and registered with the Land Court as Document No. 1226564, and as the same has been amended by that certain Second Amendment to Master Deed dated as of November 15, 2002, and recorded with the Registry as Instrument No. 1617 on September 23, 2003, and registered with the Land Court as Document No. 1293465.

Together with the benefit of and subject to the following:

1. Terms and provisions of Reciprocal Easement Agreement dated April 18, 2000 by and between Technology Square LLC and the Charles Stark Draper Laboratory, Inc. recorded in Book 31324, Page 262 and filed as Document No. 1137080, as amended by First Amendment to Reciprocal Easement Agreement dated February 6, 2003 recorded in Book 38441, Page 415 and filed as Document No. 1261130, and as amended by Second Amendment to Reciprocal Easement Agreement dated March 26, 2004 recorded in Book 42362, Page 126 and filed as Document No. 1315537.

2. Terms and provisions of Foundation, Grade Beam and Encroachment Agreement dated March 11, 1975, filed as Document No. 531493, as amended by an Amendment to Foundation Grade Beam and Encroachment Agreement, dated September 1, 1976, filed as Document No. 547840, affecting Lots 19 and 20, as affected by Reciprocal Easement Agreement dated April 18, 2000 recorded in Book 31324, Page 262 and filed as Document No. 1137080, as amended by Amendment to Foundation, Grade Beam and Encroachment Agreement, dated September 1, 1976, filed with the Registry District as Document No. 547840, affecting Lots 19 and 20, as affected by the Reciprocal Easement Agreement.

All as affected by Voluntary Withdrawal from Registration filed January 16, 2008 as Document No. 1462980. For title see Deed in Book 42269, Page 372 and Notice of Lease in Book 42269, Page 395.



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EXHIBIT C TO LEASE

WORK LETTER

THIS WORK LETTER dated February 28, 2018 (this "**Work Letter**") is made and entered into by and between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**"), and **KYMER A THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**"), and is attached to and made a part of the Lease Agreement dated February 28, 2018 (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 Nicole Ouellette and Rick Donovan (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.

(b) **Landlord's Authorized Representative.** Landlord designates Tim White and Erin Paredes (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.

(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 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 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 15 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 15 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 substantially in accordance 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 substantially in accordance 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 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 substantially in accordance 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 causing its contractors to correct any deficiencies or defects in the Tenant Improvements.

(d) **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 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 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, 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.

(b) **TI Allowance.** Landlord shall provide to Tenant a tenant improvement allowance (“**TI Allowance**”) of \$15.00 per rentable square foot of the Premises, or \$147,540.00 in the aggregate.

The TI Allowance shall be disbursed in accordance with this Work Letter. Tenant shall have no right to the use or benefit (including any reduction to 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. Tenant shall have no right to any portion of the TI Allowance that is not disbursed before the last day of the month that is 18 months after the 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 and the cost of Changes (collectively, “**TI Costs**”). Notwithstanding anything to the contrary contained herein, except as set forth below, 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; provided, however, Landlord hereby agrees that up to a maximum amount of \$49,180.00 (which is \$5.00 per rentable square foot of the Premises) out of the TI Allowance may be used for soft costs, including the



installation of voice or data cabling and the purchase and installation of lab furniture (i.e., portable benches, chairs and cabinets), but not any office furniture. In the event Tenant applies any portion of the TI Allowance towards such lab furniture, Tenant shall be required to surrender such lab furniture, in good working order and condition excepting ordinary wear and tear, at the expiration or earlier termination of the Lease.

(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 (“**Excess TI Costs**”), monthly disbursements of the TI Allowance shall be made in the proportion that the remaining TI Allowance bears to the outstanding TI Costs under the Budget, and Tenant shall fund the balance of each such monthly draw. For purposes of any litigation instituted with regard to such amounts, those amounts required to be paid by Tenant will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs are herein referred to as the “**TI Fund**.” 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.

(e) **Payment for TI Costs.** During the course of design and construction of the Tenant Improvements, subject to the terms of Section 5(d), 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 Premises; and (v) copies of all operation and maintenance manuals and warranties affecting the Premises.

6. 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, except as may be 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) **No Default Funding.** In no event shall Landlord have any obligation to fund any portion of the TI Allowance during any period that Tenant is in Default under the Lease.



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EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

This **ACKNOWLEDGMENT OF COMMENCEMENT DATE** is made as of this 30th day of April, 2018 between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**"), and **KYMER A THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**"), and is attached to and made a part of the Lease dated as of February 28, 2018 (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Base Term of the Lease is May 1, 2018, and the expiration date of the Base Term of the Lease shall be midnight on April 30, 2023. In case of a conflict between the terms of the Lease and the terms of this Acknowledgment of Commencement Date, this Acknowledgment of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this **ACKNOWLEDGMENT OF COMMENCEMENT DATE** to be effective on the date first above written.

TENANT:

KYMER A THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Laurent Audoly
Its: President & CEO

LANDLORD:

ARE-TECH SQUARE, LLC,
a Delaware limited liability company

By: ARE-MA REGION NO. 31, LLC,
a Delaware limited liability company,
its manager

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS CORP.,
a Maryland corporation,
general partner

By: /s/ Eric S. Johnson
Its: Senior Vice President
RE Legal Affairs

EXHIBIT E TO LEASE

Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.
2. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.
3. Except for animals assisting the disabled, no animals shall be allowed in the Premises, offices, halls, or corridors in the Project.
4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.
5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.
6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.
7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.
8. Tenant shall maintain the Premises free from rodents, insects and other pests.
9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner *do* any act in violation of the Rules and Regulations of the Project.
10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.
11. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.
12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.



13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.



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EXHIBIT F TO LEASE

TENANT'S PERSONAL PROPERTY

None.



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ARSENAL YARDS

LEASE

From

ARSENAL YARDS HOLDING LLC

Landlord

To

KYMERA THERAPEUTICS, INC.

Tenant

Yardworks

425 Arsenal Street, Watertown, Massachusetts

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LEASE

ARTICLE 1: BASIC TERMS

The following terms used in this Lease shall have the meanings set forth below. Other terms are defined throughout this Lease and indexed on Schedule 1 attached hereto and made a part hereof.

Date of Lease: As of August 15, 2019

Landlord: Arsenal Yards Holding LLC,
a Delaware limited liability company

Original Address of Landlord: c/o Boylston Properties
800 Boylston Street, Suite 1390
Boston, Massachusetts 02199
Attention: Mark A. Deschenes

With copies to:

c/o The Wilder Companies, Ltd.
800 Boylston Street, Suite 1300
Boston, Massachusetts 02199
Attn: Andrew T. Larea

And to:

Sherin and Lodgen, LLP
101 Federal Street
Boston Massachusetts 02110
Attention: Peter Friedenber, Esq.

Tenant: Kymera Therapeutics, Inc.,
a Delaware corporation

Original Address of Tenant: 300 Technology Square, 2d Floor
Cambridge, Massachusetts 02139
Attention: Edward Freedman

With a copy to:

Foley Hoag LLP
Seaport West
155 Seaport Boulevard
Boston, MA 02210
Attention: Jeffrey K. Ganguly

Guarantor: N/A

Development: The mixed-use development commonly known as “Arsenal Yards”

Address of Development: 485 Arsenal Street
Watertown, Massachusetts 02472

Building: The building shown as “Building A” on Exhibit A attached hereto (the “**Building**”), constructed within the Development on a parcel of land (the “**Land**”) which is more particularly described on Exhibit A-1 attached hereto.

Unit: Primary Unit Building A – Office (or such other name given to such unit by Landlord), to be constructed within the Building, which will contain approximately 108,818 rentable square feet on the first floor, second floor and mezzanine.

Premises: Approximately 34,522 rentable square feet on the first and second floors and the mezzanine level of the Unit, as shown on Exhibit B attached hereto, as measured in accordance with the provisions of Section 2.01 (f).

Tenant’s Percentage Share: 31.72%. See Section 5.02.

Rent Commencement Date: The day which is six (6) months after the date on which Landlord’s “Base Building Work” (except for “LL Post-Delivery” items) is “Substantially Completed” (or is deemed to be “Substantially Completed”) (as such terms are defined in the Work Letter) pursuant to the provisions of the Work Letter.

Term:

Initial Term: The period commencing on the Rent Commencement Date and expiring on the day (“**Termination Date**”) which is ten (10) years after the Rent Commencement Date.

Extension Term: One (1) extension term of five (5) Lease Years. See Section 3.03(a).

Lease Year: The first Lease Year begins at 12:01 a.m. on the Rent Commencement Date and ends at 11:59 p.m. on the day before the first anniversary of the Rent Commencement Date. Each subsequent Lease Year is a period of twelve (12) full calendar months commencing at 12:01 a.m. on the day after the expiration of the preceding Lease Year.

Estimated Base Building Delivery Date: October 1, 2019

Permitted Uses: General office, laboratory, research and development, and any other lawful use, all to the extent permitted under the Watertown Zoning Ordinance as in effect from time to time.

Landlord’s Broker: Cushman & Wakefield

Tenant's Broker: Newmark Knight Frank

Security Deposit: Letter of Credit in the amount of One Million Four Hundred Ninety-Three Thousand Seventy-Six (\$1,493,076.00) Dollars

Parking Rights: See Section 2.02.

Base Rent:

Initial Term: The following amounts:

| <u>Period</u> | <u>Rate per rentable s.f.</u> | <u>Monthly Amount</u> | <u>Annual Amount</u> |
|---------------|-------------------------------|-----------------------|----------------------|
| Lease Year 1 | \$ 71.00 | \$204,255.17 | \$2,451,062.00 |
| Lease Year 2 | \$ 73.13 | \$210,382.82 | \$2,524,593.86 |
| Lease Year 3 | \$ 75.32 | \$216,694.31 | \$2,600,331.68 |
| Lease Year 4 | \$ 77.58 | \$223,195.14 | \$2,678,341.63 |
| Lease Year 5 | \$ 79.91 | \$229,890.99 | \$2,758,691.87 |
| Lease Year 6 | \$ 82.31 | \$236,787.72 | \$2,841,452.63 |
| Lease Year 7 | \$ 84.78 | \$243,891.35 | \$2,926,696.21 |
| Lease Year 8 | \$ 87.32 | \$251,208.09 | \$3,014,497.10 |
| Lease Year 9 | \$ 89.94 | \$258,744.33 | \$3,104,932.01 |
| Lease Year 10 | \$ 92.64 | \$266,506.66 | \$3,198,079.97 |

Extension Term: Fair Market Rent (as defined in Section 3.03(b)).

Initial Tenant Work: As set forth in Exhibit C attached hereto.

Base Building Work: As set forth in Exhibit C attached hereto.

| | | |
|------------------|--------------------------------------|--|
| Exhibits: | Schedule 1: | Index of Defined Terms |
| | Exhibit A (<u>Art. 1</u>): | Plan showing Development, Building and the Unit |
| | Exhibit A-1 (<u>Art. 1</u>): | Legal Description of the Land |
| | Exhibit A-2 (<u>Sec. 2.02(c)</u>): | Plan Showing Location of Designated Parking Spaces |
| | Exhibit B (<u>Art. 1</u>): | Unit Floor Plan showing the Premises and the Offer Space |
| | Exhibit C (<u>Sec. 3.01</u>): | Work Letter |
| | Exhibit C-1 (<u>Sec. 2.01(e)</u>): | List of Base Building Plans and Specifications |
| | Exhibit C-2: | Tenant's Test-Fit Plan |
| | Exhibit C-3: | Lab Shell Specifications Tenant/ Landlord Matrix of Responsibility |
| | Exhibit D (<u>Sec. 2.01(e)</u>): | Title Matters |
| | Exhibit E (<u>Sec. 6.02</u>): | Cleaning Specification for Common Areas and Landlord Services |
| | Exhibit F (<u>Sec. 6.02</u>): | Shuttle Service |
| | Exhibit G (<u>Sec. 9.07</u>): | Rules and Regulations |
| | Exhibit H: | Intentionally Deleted |
| | Exhibit I (<u>Sec. 10.05(b)</u>): | Construction Documents Requirements |
| | Exhibit J (<u>Sec. 10.05(c)</u>): | Tenant Work Insurance Schedule |
| | Exhibit K (<u>Sec. 9.10</u>): | LEED Requirements |
| | Exhibit L (<u>Sec. 15.02</u>): | Form of SNDA |
| | Exhibit M (<u>Sec. 15.04</u>): | Form of Estoppel Certificate |
| | Exhibit N (<u>Sec. 16.06</u>): | Form of Notice of Lease |

ARTICLE 2: PREMISES; APPURTENANT RIGHTS; COMMON AREAS; PARKING; CHANGES TO DEVELOPMENT

2.01. Lease of Premises; Appurtenant Rights.

(a) General. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term. The Premises will be located in the Unit within the Building. The Land and the Building are shown on the preliminary site plan attached hereto as Exhibit A (provided, however, that the site plan and any other applicable exhibit (including Exhibit A-1) is attached hereto merely to identify the location of the Premises and the initial boundaries of the Development and not the identities of any actual tenants or occupants of the Development, and nothing contained therein or in this Lease shall obligate Landlord to construct any buildings or other improvements shown on said site plan, other than the Premises). Subject to Landlord's Rules and Regulations and the provisions of this Lease, Tenant shall have access to the Premises, the parking areas serving the Premises, and the Common Areas necessary for Tenant's use of, or access to and egress from, the Premises 24 hours a day, 7 days a week; provided, however, that in times of emergency as determined by Landlord, Landlord shall have the right to limit access to the Building by Tenant and all other tenants, provided that any such limits on access shall cease as soon as the emergency is resolved. For purposes of this Lease, an "emergency" shall mean an event, such as a natural disaster, fire or act of terrorism, not within the reasonable control of either party hereto, that poses an immediate threat to life or property (including the Development).

(b) Exclusions. The Premises exclude the perimeter walls thereof (other than the inner surfaces thereof), as well as all Common Areas, including the common stairways and stairwells, entranceways and the main lobby, elevators and elevator wells, fan rooms, roofs, off-floor electric and off-floor telephone closets, freight elevators, and pipes, ducts, conduits, wires and appurtenant fixtures serving other parts of the Building or the Development (exclusively or in common) and other common areas and facilities from time to time designated as such by Landlord. The Premises also exclude the common corridors, elevator lobby, and common toilets, as well as common on-floor electric, telephone and janitor closets, located within the Unit.

(c) Appurtenant Rights. Tenant shall have, as appurtenant to the Premises, the right to use in common with others, and subject to Landlord's Rules and Regulations: (a) the Common Areas and the common facilities of the Building, including the common loading docks, lobbies, hallways, stairways and elevators of the Building serving the Premises in common with other portions of the Building, and other Building amenities, and (b) the common corridors, elevator lobby, and common toilets, as well as common on-floor electric, telephone and janitor closets, located within the Unit.

(d) Reservations. In addition to other rights reserved herein or by law, Landlord reserves the right from time to time, without incurring any liability to Tenant or otherwise affecting Tenant's obligations under this Lease, provided that Landlord shall provide at least forty-eight (48) hours prior notice to Tenant (except in the case of an emergency, in which case notice shall be provided as soon as reasonably practicable) and shall use commercially reasonable efforts to avoid (except in emergency) interruption of Tenant's use and access to the Premises: (i) to install, use, maintain, repair, replace and

relocate for service to the Premises and other parts of the Building, or either, chases, shafts, pipes, ducts, conduits, wires and appurtenant fixtures wherever located in the Premises or the Building or elsewhere in the Development; (ii) to alter, eliminate or relocate any common area or facility of the Building or the Unit, including the lobbies and entrances; and (iii) to grant easements and other rights with respect to the Development; *provided that* (a) to the maximum extent practicable, no such installations, replacements or relocations in the Premises shall be placed below ceiling surfaces, above floor surfaces or to the inside of perimeter walls, (b) Tenant's use of and access to the Premises, the Common Areas and its parking spaces shall not be adversely impacted by any such additions, alterations, improvements, repairs, installations, replacements, eliminations or relocations, and (c) all such work necessitating entry into the Premises shall be subject to the provisions of Section 9.06. Landlord shall have the exclusive rights: to use all or any part of the roof of the Building for any purpose, and to erect, in connection with repairs, maintenance or replacements with respect to the Building, temporary scaffolds and other aids to construction on the exterior of the Building, provided that access to the Premises shall not be denied thereby. Landlord may also make any use it desires of the side or rear walls of the Building, provided that such use shall not encroach on the interior of the Premises or materially interfere with Tenant's access to the Premises.

(e) Condominium; Title Matters. Tenant acknowledges and confirms that the Premises will be subject to and benefitted by:

- (i) That certain Amended and Restated Master Deed of the Arsenal Condominium recorded in the Middlesex South District Registry of Deeds (the "**Registry**") in Book 71113, Page 277, as the same may be amended from time to time (the "**Primary Condominium Master Deed**"); and
- (ii) That certain Declaration of Trust of Arsenal Yards Primary Condominium Trust recorded in the Registry in Book 71113, Page 410, as the same may be amended from time to time (the "**Primary Condominium Trust**").

The Primary Condominium Master Deed has created the Arsenal Yards Primary Condominium (the "**Primary Condominium**"), which consists of several primary condominium units (collectively, the "**Primary Units**" and individually, a "**Primary Unit**"), as well as common elements and limited common elements as described therein. The Premises will be a portion of the Unit. The Primary Condominium Trust is the organization of holders of fee simple title to the Primary Units (the "**Primary Unit Owners**") formed to manage and regulate the Primary Condominium. The affairs of the Primary Condominium are, or will be, governed by the Primary Board of Trustees (the "**Primary Board**"), all as will be set forth in the Primary Condominium Master Deed and the Primary Condominium Trust. The Primary Condominium Master Deed and the Primary Condominium Trust and all Plans (defined in the Condominium Documents) related thereto, all as the same may be amended, are herein collectively referred to as the "**Condominium Documents**". Landlord agrees that it shall diligently enforce all of its rights under the Condominium Documents with respect to the Unit and the Premises throughout the Term of this Lease, including any extensions thereof.

Further, this Lease and Tenant's rights hereunder are subject to and benefitted by all matters of record, including without limitation those set forth on Exhibit D attached hereto and incorporated herein by reference, and all permits and approvals affecting the Premises or Development, all as the same may be amended from time to time (collectively, the "**Title Matters**"). Landlord covenants that Landlord shall not enter into any modification, alteration or amendment of, the Condominium Documents or Title Matters (except for amendments pursuant to Supplemental Declarations (defined in the Condominium Documents) to implement Development Rights and Special Declarant Rights (both as defined in the Condominium Documents)), which would reduce the scope of the items that comprise the Permitted Use or otherwise materially interfere with Tenant's use of or access to the Premises or the parking rights granted to Tenant under this Lease. Landlord shall vote the percentage interest applicable to the Unit and any and all other Primary Units owned by Landlord in a manner consistent with the immediately preceding sentence.

(f) **Measurement.** The total rentable area of the Premises set forth in **Article 1** has been determined by (i) measuring the usable area of the same based on the proposed location of the demising walls of the Premises as shown on **Exhibit B** attached hereto, using the BOMA International Standard Method of Measurement for Office Buildings (ANSI/BOMA Z65.1-2010) (the “**Measurement Standard**”), and (ii) applying an add-on factor of 19.0% thereto. To the extent to which Landlord, in the exercise of its reserved rights pursuant to **Section 2.01(e)**, constructs or installs any chase, shaft or similar enclosures within the Premises for the exclusive use of other tenants, or grants to Tenant exclusive rights to use any portion of the Building situated outside the boundaries of the Premises, such areas shall be excluded or included in the Premises (as the case may be) and Landlord shall cause its architect to measure such areas and either add them or subtract them (in each case together with a 19.0% add-on factor) to or from the total rentable area of the Premises as otherwise determined in accordance with the provisions of this Lease. If the rentable area changes on account of the provisions of this **Section 2.01(f)**, Landlord and Tenant shall then enter into an amendment to this Lease confirming the rentable area, as modified, as well as any changes to the boundaries of the Premises, and proportional changes in the Base Rent and any other charges or rights under this Lease that are based upon the rentable square footage in question.

2.02. Common Areas; Parking.

(a) **Common Areas.** Tenant shall have the right to use, in common with Landlord and all others entitled to the use thereof, the non-structural General Common Elements and Limited Common Elements (as defined in the Condominium Documents) allocated to the Unit or otherwise available to Landlord as owner of the Unit pursuant to the Condominium Documents (excluding Limited Common Elements designated by Landlord for the exclusive use by another tenant of the Unit and Limited Common Elements comprising portions of the exterior shell of the Building) (herein referred to as “**Common Areas**”) for their intended use and in accordance with any applicable terms and provisions of the Condominium Documents and this Lease. Landlord shall not be liable for any inconvenience or interruption of business or other consequences resulting from the making of repairs, replacements, improvements, alterations or additions or from the doing of any other work, by or at the direction of Landlord, the Declarant and its successors, assigns and transferees, other Primary Unit Owners, or the Primary Board, to or upon any of such Common Areas, or from delay or failure to perform such maintenance, snow removal or other work with respect to such Common Areas; provided, however, that if such failure to perform such maintenance, snow removal or other work with respect to the Common Areas prevents Tenant from accessing the Premises, then Tenant shall be entitled to an abatement of Base Rent for the period commencing one (1) Business Day after Tenant notifies Landlord in writing of such situation and continuing thereafter until Tenant is able to access the Premises. Tenant acknowledges and agrees that the size, location and nature of any Common Area may be changed from time to time in accordance with the Condominium Documents.

(b) **Parking Areas.** All parking areas, access roads and facilities which may be furnished in the Development, as it shall be constituted from time to time, including employee parking areas, truck way or ways, driveways, loading docks and areas, delivery passages, package pickup stations, pedestrian sidewalks, malls, courts and ramps, landscaped and planting areas, retaining walls, stairways, bus stops, first-aid stations, lighting facilities, comfort stations, and other areas and improvements which may be provided by the Primary Board for the general use in common of tenants, their officers, agents, employees, invitees and customers, shall at all times be subject to the exclusive control and management of the Primary Board. The Landlord, Declarant (and its successors, assigns and transferees) and the Primary Board shall have the right from time to time to change the areas, locations, length of stay and arrangement of parking areas and all other Common Areas referred to in this **Section 2.02**; to construct surface or elevated parking areas and facilities; to establish and from time to time change the level of

parking surfaces; to impose parking fees and charges for residential or retail customers for any and all parking facilities and parking spaces in the Development or elsewhere, and enforce such parking charges (by operation of meters or otherwise) (*provided, however*, that Tenant's employees and visitors shall not be required to pay any such parking fee or charge throughout the entire Term); to limit the use of certain parking areas to the exclusive use of certain tenants or occupants of the Development; to close all or any portion of said areas or facilities to such extent as may, in the opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; to close temporarily any or all portions of the parking areas or facilities; to discourage non-customer retail parking; to establish bicycle parking and storage areas and facilities and electric vehicle charging stations; and to do and perform such other acts in and to said areas and improvements as, in the use of good business judgment, Landlord or the Primary Board shall determine to be advisable with a view to the improvements of the convenience and use thereof by tenants, their officers, agents, employees, and customers; provided that the exercise of such rights shall not materially interfere with the parking rights granted to Tenant under this Lease. Tenant shall, if requested by Landlord, furnish Landlord with State automobile license or registration numbers assigned to Tenant's car or cars and cars of its employees within five (5) Business Days after Tenant's receipt of Landlord's written demand. Landlord may implement parking passes or other means of identifying authorized users of Tenant's parking rights.

(c) Specific Parking Rights Granted to Tenant.

(i) Notwithstanding Landlord's rights as set forth in Section 2.02(b) above, during the Term, Tenant, its employees and visitors shall have the appurtenant right to use, at no additional charge, up to thirty-five (35) dedicated parking spaces located on the third and fourth floors of "Garage B" as shown on Exhibit A-2 attached hereto, between the hours of 8:00 A.M. and 5:00 P.M. on Business Days. Landlord shall have the right to relocate such spaces from time to time within "Garage B" provided that such relocated spaces are in reasonably comparable proximity to the Building entrance and exit nearest to the Premises. Landlord, at Landlord's sole expense, shall install signage identifying the dedicated spaces as devoted to Tenant's exclusive use.

(ii) In addition, Tenant shall have the right to use during the Term, at no additional charge, the other parking spaces from time to time situated within the Development (other than those dedicated or designated for use by one or more specific tenants), in common with all other persons now or hereafter entitled to use the same, to the extent the same are available. Use of these parking spaces shall be on a non-exclusive, non-reserved basis.

(iii) All parking spaces shall be used by Tenant and Tenant's employees and business invitees for the parking of passenger vehicles only. The provisions of this Lease, including the Rules and Regulations, shall apply to all parking facilities and parking spaces situated within the Development and Tenant's use thereof. Landlord shall have the right to temporarily close portions of surface parking lots and parking facilities time to time for maintenance, repair or improvement, as necessary; provided that reasonable alternative parking is made available to Tenant to the extent of such closure.

(iv) Tenant's rights under this Section may not be assigned, subleased or otherwise transferred except in connection with a Transfer effected in accordance with the provisions of Article 12 below. Neither Landlord nor any operator of the Parking Facilities shall be responsible for any loss or damage due to fire or theft or otherwise to any automobile parked in any parking lot or parking facilities within the Development or to any personal property therein.

(d) Access to Common Areas. Landlord covenants that throughout the Term of this Lease,

Landlord shall enforce the applicable provisions of the Condominium Documents and Title Matters to provide Tenant with non-exclusive access to and use of the Common Areas of the Development provided pursuant to the Condominium Documents and Title Matters.

2.03. Changes and Additions to Development. Landlord, for itself and on behalf of the Primary Board and the Declarant, and the Declarant's successors, assigns and transferees, hereby reserves the right at any time and from time to time to: (a) construct other buildings or improvements in the Development, make alterations thereof or additions thereto, build additional stories or levels on any such building (including the Building) or buildings adjoining same; (b) make changes or revisions in the Development and Common Areas, and convey portions of the Development, Primary Units, and Common Areas to others for any reason including for the purpose of constructing thereon other buildings or improvements, including additions thereto and alterations thereof notwithstanding that such activities to be undertaken may necessitate the alteration or rearrangement of all or portions of the Common Areas; and (c) exercise Development Rights and Special Declarant Rights (as defined in the Condominium Documents); provided that none of the foregoing shall materially interfere with the rights granted to Tenant hereunder or shall preclude access to the Premises from a public road or reduce the number of parking spaces below that which is required by Applicable Law (taking into consideration all permits, approvals and other relief applicable to the Development).

2.04. Right to Lease.

(a) Subject to the rights set forth in that certain lease by and between Landlord and SQZ Biotechnologies Company dated as of December 21, 2018 (as the same may be amended, the "**SQZ Lease**"), if at any time after the initial occupancy by a third-party tenant thereof, the space shown as "Offer Space" on the plan attached hereto as **Exhibit B** and made a part hereof (the "**Offer Space**") becomes available for occupancy upon the expiration or earlier termination of the lease therefor between Landlord and a third-party tenant (and provided that (i) Tenant is not then in default hereunder beyond all applicable notice and grace periods (if any), (ii) the Tenant named in Article 1 above or a Related Party Transferee is then occupying the entire Premises for the conduct of the Permitted Uses, (iii) at the time of the delivery of Landlord's Offer Space Notice there then remains at least five (5) Lease Years unexpired in the Term, and (iv) the tenant under the SQZ Lease does not exercise its preferential right to lease the Offer Space in accordance with the terms of the SQZ Lease, then Tenant shall have the right to lease all (but not less than all) of the Offer Space subject to and in accordance with the terms and conditions set forth in this Section 2.04 ("**Tenant's Right to Lease**"). If the Offer Space shall become available for occupancy during that time, Landlord shall notify Tenant thereof in writing ("**Landlord's Offer Space Notice**"), which notice shall include (i) the anticipated estimated date upon which the Offer Space will become available for occupancy by Tenant (the "**Offer Space Commencement Date**"), and (ii) Landlord's determination of the Fair Market Rent for the Offer Space for a period coterminous with the Term of this Lease. Tenant shall have the right only to lease all of the Offer Space (and not less than all of the Offer Space) by giving written notice to Landlord ("**Tenant's Acceptance Notice**") within fifteen (15) days after Tenant receives Landlord's Offer Space Notice, time being of the essence. For purposes of satisfying the foregoing condition that there then be at least five (5) Lease Years unexpired in the Term, notwithstanding anything to the contrary contained in Section 3.03(a) below, Tenant shall be entitled to exercise the Extension Option simultaneously with the giving of Tenant's Acceptance Notice. If Tenant elects to lease the Offer Space, such Offer Space shall be leased by Landlord to Tenant upon the same terms and conditions contained in this Lease, except that: (A) Base Rent for the Offer Space shall be equal to the Fair Market Rent therefor determined in accordance with Section 3.03(c) below (made applicable hereto with such changes and modifications as are required given the application hereto), (B) the Offer Space shall be and become part of the Premises hereunder upon the delivery of the Offer Space to Tenant in its "as is" condition, and (C) it is understood and agreed that, unless otherwise expressly provided in Landlord's Offer Space Notice, the Offer Space shall be leased by Tenant in its then "as-is", "where-is" condition, without warranty or representation by Landlord and Landlord shall have no obligation to complete any work to prepare the Offer

Space for Tenant's use and occupancy or provide any allowance or contribution therefor. Following such election by Tenant, and effective as of the delivery of the Offer Space and for the balance of the Term of this Lease and any extension thereof: (x) the "Premises", as used in this Lease, shall include the Offer Space; (y) any Additional Rent, charges and expenses due under this Lease and the number of parking spaces to which Tenant shall be entitled shall be re-calculated to reflect the inclusion of the Offer Space; and (z) the Base Rent shall equal the sum of the then-current Base Rent provided for in this Lease plus the Base Rent for the Offer Space as determined herein. The foregoing provisions of this Section 2.04(a) shall be self-executing, but the parties agree that for purposes of confirming the foregoing, Landlord shall prepare, and Tenant and Landlord shall promptly execute and deliver, a mutually acceptable amendment to this Lease reflecting the foregoing terms and incorporation of the Offer Space. For the purposes hereof, the Offer Space shall be deemed "**available for occupancy**" when (1) any lease or occupancy agreement (including extension periods thereunder) therefor has expired or is due to expire within not less than six (6) months, (2) any expansion options, expansion rights or other rights to lease with respect to the Offer Space which are set forth in any other lease or leases entered into prior to the date hereof have expired or been waived, and (3) Landlord is free to, and intends to, lease such space to third parties.

(b) If Tenant fails to timely exercise Tenant's Right to Lease in accordance with the provisions of this Section, then all rights of Tenant with respect to the Offer Space shall be deemed waived for the period set forth in this subsection (b), and Landlord may lease the Offer Space or any portion(s) of it during such time to any party and upon any terms free of any rights of Tenant. Tenant, following such waiver and within seven (7) Business Days of Landlord's request therefor, shall execute and deliver to Landlord a certification, in recordable and mutually agreeable form, confirming the waiver of such right. Provided that Landlord's request specifies, in capitalized, boldfaced type in the first paragraph thereof, that Tenant's failure to so execute and deliver such certification shall (without limiting Landlord's remedies on account thereof) entitle Landlord to execute and deliver to any third party, and record, an affidavit confirming such waiver, then such failure to respond by Tenant shall entitle Landlord to do so, in which event such affidavit shall be binding on Tenant and may be conclusively relied on by third parties. Notwithstanding the foregoing, if Landlord fails to enter into a letter of intent to lease any portion of the Offer Space within twelve (12) months following the fifteen (15) day period referenced in Section 2.04(a) above (and enter into an executed lease based thereon within twelve (12) months following such fifteen (15) day period), or if Landlord intends on accepting an offer to lease any portion of the Offer Space at an effective rental rate that is less than seventy (70%) percent of the effective rent set forth in Landlord's Offer Space Notice, then Landlord shall be required to again offer to lease the Offer Space (or the portion(s) thereof which Landlord then intends to lease) to Tenant in accordance with the terms hereof prior to leasing the same to a third party.

(c) The foregoing Tenant's Right to Lease may only be exercised by the Tenant named in Article 1 above (or a Related Party Transferee (in which latter case all references in this Section 2.04 to "Tenant" shall be deemed to refer to such Related Party Transferee)). Tenant acknowledges and agrees that its rights under this Section are and shall be subject and subordinate to any extension rights granted in any initial lease by Landlord to a third party of any portion of the Offer Space.

ARTICLE 3: LEASE TERM

3.01. Lease Term; Construction. The Initial Term of this Lease is set forth in Article 1. The Base Building and the Premises shall be constructed as provided in the Work Letter (the "**Work Letter**") attached hereto as Exhibit C.

3.02. Hold Over. If Tenant (or anyone claiming by, through or under Tenant) shall remain in occupancy of the Premises or any part thereof after the expiration or early termination of the Term without a written agreement therefor executed and delivered by Landlord, then without limiting Landlord's other rights and remedies the person or entity remaining in possession shall be deemed a

tenant at sufferance, and Tenant shall thereafter pay a monthly use and occupancy charge (pro-rated for such portion of any partial month as Tenant (or anyone claiming by, through or under Tenant) shall remain in possession) at a rate equal to the greater of (a) one hundred fifty (150%) percent of the Fair Market Rent for the Premises (which, notwithstanding anything to the contrary contained in this Lease, shall be deemed the rent then being quoted by Landlord for the Premises (or any portion thereof) or comparable space in the Unit, if the Premises (or any portion thereof) or any such space is then being marketed by Landlord), or (b) one and one-half(1.5) times the monthly amount payable as Base Rent for the 12-month period immediately preceding such expiration or termination, and in either case with all Additional Rent also payable as provided in this Lease. No acceptance by Landlord of any payment by Tenant pursuant to this Section shall constitute Tenant (or anyone claiming by, through or under Tenant) as a tenant at will, but Tenant or such other person or entity shall remain a tenant at sufferance subject to all of the provisions of this Lease. If Landlord desires to regain possession of the Premises at any time Tenant (or anyone claiming by, through or under Tenant) is holding over, Landlord may, at its option, forthwith re-enter and take possession of the Premises or any part thereof by any lawful means. In any case, and notwithstanding the provisions of Section 16.10 (b) to the contrary, Tenant shall be liable to Landlord for all claims, liabilities, damages, losses or costs (including reasonable attorneys' fees and costs) resulting from any failure by Tenant (or anyone claiming by, through or under Tenant) to vacate the Premises or any portion thereof when required hereunder, and shall hold Landlord, its agents and employees, harmless and defend and indemnify Landlord, its agents and employees, from and against any and all claims, liabilities, damages, losses or costs (including reasonable attorneys' fees and costs) which Landlord may pay, incur or suffer on account of any such hold-over in the Premises after the expiration or earlier termination of the Term.

3.03 Right to Extend.

(a) Extension Term. Provided that, as of both the time Tenant gives the Extension Notice (as defined below) and the first day of the Extension Term, (i) Tenant is not in default hereunder beyond all applicable notice and grace periods (if any), and (ii) the Tenant named in Article 1 above (or a Related Party Transferee) is then occupying at least sixty (60%) percent of the Premises for the conduct of the Permitted Uses, then Tenant may extend the Term of this Lease for the Extension Term stated in Article 1 by giving unconditional written notice (an "**Extension Notice**") to Landlord at least twelve (12) months but not more than fifteen (15) months before the end of the Initial Term, time being of the essence. The Extension Notice shall be sufficient to extend the Term for the Extension Term, subject to all of the terms of this Lease except for the change in Base Rent as set forth below, and no additional writing or further action by the parties shall be required for such purpose (but upon the request of either party, the parties shall promptly execute and deliver an amendment to this Lease reflecting such extension of the Term). If Tenant fails to give the Extension Notice in strict accordance with the provisions of this Section 3.03(a), Tenant shall be deemed to have waived all rights to extend the Term of this Lease. All references in this Lease to the "Term" shall mean the Initial Term as it may be extended by the Extension Term.

(b) Extension Term Base Rent. Base Rent for the Extension Term(s) shall be the Fair Market Rent of the Premises (as defined below). Fair market rent of the Premises (the "**Fair Market Rent**") for the Extension Term shall be based upon leases or agreements to lease then being negotiated or executed with respect to comparable space located in the Building, or if no such leases or agreements to lease are then being negotiated or executed with respect to comparable space in the Unit, the Fair Market Rent shall be determined by reference to leases or agreements to lease then being negotiated or executed with respect to comparable first-class office/laboratory space in the Unit or in comparable buildings in Watertown and other comparable inner suburban and suburban lab markets (excluding Kendall Square, but including Allston/Brighton and West Cambridge) with walkable urban amenities. In determining Fair Market Rent, all relevant factors shall be taken into account, including size, location and age and condition of premises, lease term (including renewal options), tenant's obligations with respect to

operating expenses and taxes, tenant improvement allowances, other inducements then being offered by landlords, condition of building, and services and amenities provided by the landlord. Fair Market Rent shall include provisions for increases or other adjustments during the Extension Term for which such determination is being made.

(c) Determination of Fair Market Rent. Fair Market Rent shall be determined as follows: Landlord shall give Tenant written notice (“**Landlord’s Fair Market Rent Notice**”) of Landlord’s determination of Fair Market Rent for the Extension Term within thirty (30) days of Tenant’s giving to Landlord the Tenant’s Extension Notice. Tenant shall thereafter notify Landlord within thirty (30) days of Landlord’s giving to Tenant Landlord’s Fair Market Rent Notice of its agreement with or objection to Landlord’s determination of the Fair Market Rent, whereupon in the case of Tenant’s objection, Fair Market Rent shall be determined by arbitration conducted in the manner set forth below. If Tenant does not notify Landlord within such thirty (30) day period of Tenant’s agreement with or objection to Landlord’s determination of the Fair Market Rent, then the Fair Market Rent for the Extension Term shall be deemed to be Landlord’s determination of the Fair Market Rent as set forth in Landlord’s Fair Market Rent Notice to Tenant. If Tenant does notify Landlord within such thirty (30) day period of Tenant’s objection to Landlord’s determination of the Fair Market Rent, then within ten (10) Business Days of Tenant’s giving such notice of objection to Landlord, each of Tenant and Landlord shall choose an MAI real estate appraiser or commercial real estate broker with at least ten (10) years of professional experience dealing with properties similar to the Development in the vicinity of the Development (each a “**Real Estate Professional**”) and notify the other party of the person so selected. The Real Estate Professionals so selected shall each determine and promptly report (in no event later than the thirtieth (30th) day following the giving of the notice of appointment of the second Real Estate Professional) to both Landlord and Tenant in writing his or her determination of the Fair Market Rent. If the higher of the Fair Market Rents reported by the two Real Estate Professionals is no more than ten (10%) percent more than the lower rate, then the Fair Market Rent will be an average of such amounts. However, if the higher amount is more than one hundred ten (110%) percent of the lower amount, then within ten (10) days after receipt of both reports, Landlord and Tenant will jointly appoint a third Real Estate Professional meeting the aforesaid criteria, and the third Real Estate Professional will determine the Fair Market Rent by selecting either Landlord’s Fair Market Rent determination or Tenant’s Fair Market Rent determination according to whichever of the two valuations as set forth in the reports from Landlord’s Real Estate Professional or Tenant’s Real Estate Professional, respectively, is closer to the actual Fair Market Rent in the opinion of such third Real Estate Professional. The third Real Estate Professional shall have no discretion other than to select one of the determinations of Fair Market Rent made by the first two Real Estate Professionals as aforesaid. Landlord and Tenant shall each pay the Real Estate Professional that it appoints, and shall share equally the cost of the third Real Estate Professional.

(d) Rent Continuation. For any part of the Extension Term for which the amount of Base Rent has not finally been determined, Tenant shall make payment on account of Base Rent at the rate last paid under this Lease, and the parties shall adjust for any overpayments or underpayments upon the final determination of Fair Market Rent. The failure by the parties to complete the processes contemplated under this Section 3.03 prior to the commencement of the Extension Term shall not affect the continuation of the Term or the parties’ obligation to make any adjustments for any overpayments or underpayments for the Base Rent due for the applicable period promptly after the determination thereof is made.

ARTICLE 4: RENT

4.01. Base Rent. Commencing as of the Rent Commencement Date and continuing thereafter on the first day of each month during the Term, Tenant shall pay Landlord the monthly installment of Base Rent, in advance, without notice or demand.

4.02. Additional Rent.

(a) General. **“Rent”** means, collectively, Base Rent and all other amounts payable by Tenant under this Lease other than Base Rent, including Tenant’s Percentage Share of Taxes and Tenant’s Percentage Share of Operating Expenses, regardless of whether or not such amount is expressly described as “Additional Rent” in this Lease (collectively, **“Additional Rent”**). Landlord shall reasonably estimate in advance (i) all Taxes under Article 5 and (ii) all Operating Expenses under Article 7 (the items in clauses (i) and (ii), collectively, being **“Operating Costs”**) and Tenant shall pay one-twelfth (1/12th) of Tenant’s Percentage Share of such reasonably estimated Operating Costs monthly in advance, commencing on the Rent Commencement Date and continuing thereafter on the first day of each calendar month (or portion thereof) included within the Term. Landlord may reasonably adjust its estimates of Operating Costs at any time based upon its experience and reasonable anticipation of costs. Such adjustments shall be effective as of the next Rent payment date occurring at least fifteen (15) days after notice to Tenant. Within one hundred eighty (180) days after the end of each calendar year (or portion thereof) included within the Term, Landlord shall give Tenant a reasonably detailed statement (an **“Annual Operating Statement”**) of the Operating Costs paid or incurred by Landlord during the preceding calendar year (pro-rated for partial calendar years included within the Term) and Tenant’s Percentage Share of such expenses; *provided, however*, that Landlord may bill Tenant for any items omitted or underbilled with respect to the calendar year in question for a period of time not to exceed six (6) months from the last day of such calendar year. Within thirty (30) days after Landlord’s delivery of an Annual Operating Statement to Tenant, Tenant shall pay Landlord any underpayment, or Landlord shall credit Tenant with any overpayment (which credit shall be applied to any Rent due under this Lease next coming due after the delivery of the Annual Operating Statement (or if the Term has ended, Landlord shall pay Tenant the amount of any overpayment as provided below)), of Tenant’s Percentage Share of such Operating Costs.

If Tenant wishes to dispute the determination of the Operating Costs charged to Tenant under this Lease, Tenant may do so provided (i) Tenant shall give Landlord written notice of such dispute within one hundred twenty (120) days after its receipt of the Annual Operating Statement being disputed and (ii) Tenant shall pay any overpayment due based on the Annual Operating Statement as provided in the foregoing paragraph, pending resolution of the dispute. If Landlord provides a revised Annual Operating Statement within the one (1) year period described in the preceding grammatical paragraph in response to a previously omitted or underbilled item of Operating Costs, Tenant shall have the same one hundred twenty(120) day period from its receipt of such revised Annual Operating Statement within which to give Landlord written notice that it disputes one or more of the revised items contained in such revised Annual Operating Statement (which shall be the only items then subject to dispute by Tenant). Promptly after the giving of such notice in either such case, Landlord shall allow Tenant’s representatives to examine and audit in Landlord’s offices (or the office of its managing agent) Landlord’s books and records with respect to the subject matter of the dispute, which review or audit shall be completed within ninety (90) days after Tenant gave such notice of dispute. Tenant agrees that the party selected by Tenant to perform such review or audit shall be compensated on the basis of hourly fees and not on a contingency or percentage basis. Tenant agrees to keep the results of any such review or audit conducted by Tenant confidential except for disclosures to its employees, attorneys, consultants, accountants and owners and except to the extent required to enforce Tenant’s rights hereunder. The cost of such audit shall be borne by Tenant; *provided, however*, in the event it is finally determined (by mutual agreement or other resolution of such dispute) that Tenant was overcharged by more than five percent (5%) for the immediately preceding calendar year, then, in such event, Landlord shall pay for Tenant’s reasonable out-of-pocket cost for the audit. If it is finally determined (by mutual agreement or other resolution of such dispute) that Landlord’s determination of any of the Operating Cost is (i) overstated, or (ii) understated, then in the case of (i) Landlord shall credit the difference against monthly installments of Rent next

thereafter coming due (or refund the difference if the Term has ended and Tenant has no further obligation to Landlord), or in the case of (ii) Tenant shall pay to Landlord the amount of such excess. Landlord's obligation under this Paragraph shall survive the expiration of the Term or earlier termination of this Lease.

If the Term expires or the Lease is terminated as of a date other than the last day of a calendar year, Tenant's payment of Additional Rent pursuant to this Section for such partial calendar year shall be based on Landlord's good faith estimate of the items otherwise includable in Operating Costs. Tenant's payment of Additional Rent shall be made on or before thirty (30) days after Landlord delivers such estimate to Tenant, with an appropriate payment or refund to be made upon Tenant's later receipt of Landlord's Annual Operating Statement for such calendar year. This Section shall survive the expiration or earlier termination of the Term.

This Lease requires Tenant to pay directly to suppliers, vendors, carriers, contractors, and other parties certain utility costs, personal property taxes, maintenance and repair costs and other expenses. If Tenant fails to make any such payments when due and Landlord thereafter receives notice of such failure on the part of Tenant, Landlord shall have the right (but no obligation) to do so on its behalf, and if Landlord so pays any of these amounts in accordance with this Lease, Tenant shall reimburse such costs in full, together with interest thereon at the Default Rate, to Landlord, as Additional Rent, within ten (10) Business Days of demand.

(b) If, during any period for which Landlord's Operating Costs are being computed, less than ninety-five (95%) percent of the rentable area of the Unit was leased and occupied by tenants, Operating Costs that are allocable to the entire Unit or the portion thereof in question and which vary by level of occupancy shall be reasonably estimated and extrapolated by Landlord to determine the Operating Costs that would have been incurred if the Unit or such portion in question were ninety-five (95%) leased and occupied by tenants for such year and such services were being supplied to all tenants, and such estimated and extrapolated amount shall be deemed to be the Operating Costs for such period; *provided, however*, that Landlord shall not collect from Tenant and other tenants in the Unit in the aggregate more than one hundred percent of Taxes and such Operating Costs actually incurred by Landlord.

(c) Unless otherwise provided in this Lease, payments of Additional Rent other than recurring payments such as monthly payments of estimated Operating Costs, shall be due and payable within thirty (30) days after invoicing by Landlord.

4.03. Late Charge. Tenant acknowledges that if it pays Rent late, Landlord will incur unanticipated costs which will be extremely difficult to ascertain exactly. Such costs include processing and accounting charges, and late charges that may be imposed on Landlord under a mortgage on the Unit, the Building or the Development. Accordingly, if Landlord does not receive any such payment within five (5) days following its due date, Tenant shall pay Landlord a late charge equal to five (5%) percent of the overdue amount as an administrative charge; provided that such late charge shall not be applied to the first late payment in any twelve (12) month period during the Term. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord shall incur by reason of Tenant's payment default. Payment of the late charge alone shall not cure Tenant's payment default or prevent Landlord from exercising any other rights and remedies.

4.04. Interest. Any late Rent payment shall bear interest from the date due (without regard to the 5-day grace period provided in [Section 4.03](#)) until paid at a rate equal to the Prime Rate plus 4% per annum (the "**Default Rate**"), except to the extent such interest would cause the total interest to be in excess of that legally permitted (and then interest will be at the maximum rate legally permitted). The "**Prime Rate**" shall mean the prime lending rate per annum published in [The Wall Street Journal](#) from

time to time, and the Default Rate shall be adjusted effective upon each change in the Prime Rate. Payment of interest shall not cure Tenant's payment default or prevent Landlord from exercising any other rights and remedies.

4.05. Method of Payment. Tenant shall make a pro rata payment of Base Rent and Additional Rent for any period of less than a month at the beginning or end of the Term. All payments of Base Rent, Additional Rent and other sums due shall be paid in current U.S. exchange by check to the Original Address of Landlord or such other place as Landlord may from time to time direct (or, if requested by Landlord in the case of Base Rent, by electronic fund transfer), without demand, abatement, set-off or other deduction.

Without limiting the foregoing, except as expressly otherwise set forth in this Lease, Tenant's obligation so to pay Rent shall be absolute, unconditional, and independent and shall not be discharged or otherwise affected by any law or regulation now or hereafter applicable to the Premises, or any other restriction on Tenant's use, or any casualty or taking or any failure by Landlord to perform or other occurrence.

It is intended that Base Rent payable hereunder shall be a net return to Landlord throughout the Term, free of expense, charge, offset, diminution or other deduction whatsoever on account of the Premises (excepting Landlord's financing expenses, federal and state income taxes of general application, and those expenses that this Lease expressly makes the responsibility of Landlord), and all provisions hereof shall be construed in terms of such intent.

ARTICLE 5: TAXES

5.01. Definition of "Taxes". "Taxes" shall mean all taxes, assessments, betterments, excises, user fees imposed by governmental authorities, and all other governmental charges and fees of any kind or nature, or impositions or agreed payments in lieu thereof, or voluntary payments made in connection with the provision of governmental services or improvements of benefit to the Building, the Unit or the Development (including any so-called linkage, impact or voluntary betterment payments), assessed or imposed against the Land, the Building or any other buildings or improvements in the Development, and any Units, General Common Elements or Limited Common Elements (including any personal property taxes levied on personal property or fixtures or equipment (other than that owned by tenants) used in connection therewith). Furthermore, notwithstanding anything to the contrary herein, Taxes shall exclude (a) any interest, fines and/or penalties for late payments to the extent relating to a period in which Tenant was not in default (beyond any applicable notice and cure periods) of its obligations to pay Base Rent, Tenant's Percentage Share of Operating Costs or other payments under this Lease, and (b) federal, state or local income or profit taxes, franchise, rental, capital, inheritance, estate, conveyance, transfer, gift, or corporate excise taxes or levies. The amount of any special taxes, special assessments, and agreed or governmentally imposed "in lieu of tax" or similar charges, shall be included in Taxes for any year but shall be limited to the amount of the installment (plus any interest, other than penalty interest, payable thereon) of such special tax, special assessment or such charge required to be paid during or with respect to the year in question. Betterments and assessments, whether or not paid in installments, shall be included in Taxes in any tax year as if the betterment or assessment were paid in installments over the longest period permitted by law, together with the interest thereon charged by the assessing authority for the payment of such betterment or assessment in installments.

Notwithstanding the foregoing, if during the Term the present system of ad valorem taxation of property shall be changed so that, in lieu of or in addition to the whole or any part of such ad valorem tax there shall be assessed, levied or imposed on the Premises, the Unit, the Building or the Development, or

on Landlord, any kind or nature of federal, state, county, municipal or other governmental capital levy, income, sales, franchise, excise or similar tax, assessment, charge or fee (as distinct from the federal and state income tax in effect on the Date of Lease) measured by or based in whole or in part upon valuation of the Premises, the Unit, the Building or the Development, or mortgage valuation, rents, services or any other incidents, benefits or measures of real property or real property operations, then any and all of such taxes, assessments, levies, charges and fees shall be included within the term "Taxes", but only to the extent that the same would be payable if the Development were the only property of Landlord. Taxes shall also include reasonable out-of-pocket expenses, including reasonable fees of attorneys, appraisers and other consultants, incurred in connection with any good faith efforts to obtain abatements or reduction of Taxes for any year wholly or partially included in the Term, whether or not successful and whether or not such efforts involved filing of actual abatement applications or initiation of formal proceedings.

5.02. Method of Payment of Taxes.

(a) Commencing as of the Rent Commencement Date and continuing thereafter throughout the Term of this Lease, Tenant covenants and agrees to pay to Landlord as Additional Rent, for each Tax Year, or ratable portion thereof, included in the Term, Tenant's Percentage Share of all Taxes payable with respect to the Unit and any applicable Limited Common Elements (as defined in the Condominium Documents) assigned or allocated to the Unit pursuant to the Condominium Documents. As used in this Lease:

"**Tenant's Percentage Share**" shall mean the percentage computed by Landlord from time to time by dividing the gross rentable area of the Premises by the total gross rentable area of the Unit, as both are reasonably computed by Landlord, and in the event that either the gross rentable area of the Premises or the total gross rentable area of the Unit is changed, Tenant's Percentage will be appropriately adjusted and, as to the Tax Year in which such change occurs, Tenant's Percentage shall be determined on the basis of the number of days during such Tax Year at each such percentage. In the event Tenant leases all of the Unit the Tenant's Percentage shall be one hundred percent (100%). The initial determination of Tenant's Percentage Share is set forth in Article 1 hereof.

"**Tax Year**" means each twelve (12) month period (deemed, for the purposes of this Section, to have 365 days) during the Term established as the real estate Tax Year by the taxing authorities having lawful jurisdiction over the Development.

If Landlord receives a refund of any such Taxes, Landlord shall pay to Tenant Tenant's Percentage Share of the refund after deducting Landlord's reasonable out-of-pocket costs and expenses incurred in obtaining the refund, to the extent such costs and expenses were not previously included in, and actually paid as, Taxes pursuant to this Section 5.02. Tenant shall make estimated payments on account of Taxes in monthly installments on the first day of each month, in amounts estimated from time to time by Landlord pursuant to Section 4.02(a).

(b) In addition to the foregoing, Tenant shall also pay one hundred percent (100%) of the Taxes payable with respect to any parking facilities with respect to which Tenant has exclusive parking rights. Tenant shall also be responsible for and shall pay before delinquent all municipal, county, federal or state taxes coming due during or after the Term of this Lease against Tenant's interest in this Lease or against personal property (including inventory) of any kind owned or placed in, upon or about the Premises by Tenant.

(c) In addition, in the event that the taxing authority now or hereafter separately assesses parking spaces (or Landlord is reasonably able to determine the portion of an assessment made against a unit that is attributable to the parking made available to such unit) or any land or improvements used for parking, including surface parking and parking situated within a building or other structure (the "**Development Parking**"), and regardless of whether such Development Parking constitutes a condominium unit or General Common Element (but excluding any Development Parking that is now or hereafter designated under the Condominium Documents as a Limited Common Element or otherwise for the exclusive use of a particular unit or units), then Tenant shall also pay its pro rata share of such Taxes (hereinafter referred to as "**Separately Assessed Parking Taxes**"). The Separately Assessed Parking Taxes shall not include Taxes assessed on or attributable to (as determined by Landlord) any Development Parking which is a Limited Common Element or otherwise designated for the exclusive use of a particular unit or units. Tenant's pro rata share of Separately Assessed Parking Taxes shall be determined by multiplying the Separately Assessed Parking Taxes by a fraction, the numerator of which is the total number of parking spaces allocated to Tenant pursuant to Section 2.02(c) and the denominator of which is the total number of parking spaces in the Development used for office, retail, restaurant, residential, hotel, service or other uses typically found in mixed-use developments, but only to the extent such parking spaces are not separately assessed to other Units.

(d) Notwithstanding the foregoing or anything contained in this Lease to the contrary, in the event that the City of Watertown and any other applicable taxing authorities do not initially separately assess the Unit as a condominium unit for taxation purposes, then, until such time as the Unit is so assessed as a separate taxable condominium unit, the term "**Taxes**" shall mean all real estate taxes and other ad valorem taxes (including, without limitation, betterment and special assessments) assessed against and payable with respect to the Development (including all land, buildings, parking and improvements related thereto) and Tenant shall pay its pro rata share thereof (determined by multiplying such Taxes by a fraction, the numerator of which is the total gross rentable floor area of the Premises, and the denominator of which is the total gross rentable floor area of all non-residential buildings located in the Development). In addition, in the event that at any time the City of Watertown separately assess any of the Common Areas as a taxable parcel, "Taxes" shall include all real estate taxes and other ad valorem taxes (including, without limitation, betterment and special assessments) assessed against and payable with respect thereto (including all land, buildings, parking and improvements related thereto) and Tenant shall pay its pro rata share thereof, calculated in the manner provided in the immediately preceding sentence.

5.03. Personal Property Taxes. Tenant shall pay directly all taxes (if any) charged against Tenant's Property (as defined in Section 10.06). Tenant shall use commercially reasonable efforts to have Tenant's Property taxed separately from the Unit. Landlord shall notify Tenant if any of Tenant's Property is taxed with the Unit, and Tenant shall pay such taxes to Landlord within fifteen (15) days of such notice.

ARTICLE 6: BUILDING SERVICES AND SPECIAL BUILDING FACILITIES

6.01. Utility Services.

(a) Tenant shall make all arrangements for, and shall provide and pay all charges and deposits required by the provider for, water, sewer, gas, boiler water, electricity, telephone and any other utilities or services used or consumed on the Premises (collectively, "**Utility Services**"), whether called use charge, tax assessment, fee, or otherwise, as the same become due. Tenant shall reimburse Landlord, as Additional Rent, for the cost of installation of any additional metering of the Premises (which was not installed as part of the Base Building Work) for the purpose of measuring Tenant's consumption of Utility Services, as well as the cost of installing (at any time prior to or during the Term) and maintaining any "check" or "sub" meters, within thirty (30) days after invoicing by Landlord. In addition, if Landlord shall install, at Tenant's request, meters for any Utility Services requested by Tenant, Tenant shall reimburse Landlord, as Additional Rent, for the reasonable out-of-pocket cost of installing such meters (and thereafter, for maintaining the same) within thirty (30) days after invoicing by Landlord.

(b) As part of the Base Building Work, Landlord will (i) install BTU meters to measure the Common Area usage and Tenant's Base Building hot water and chilled water consumption within its Premises (if additional taps from the main loop are required, Tenant shall install them at its own cost and expense, and any meters installed as part of such work shall be compatible with the Unit equipment and the Unit Building Management System (BMS); (ii) provide space for a Tenant meter on the utility gas manifold so that Tenant can install (at its sole cost and expense) any gas service necessary to service the exclusive needs of Tenant's Premises; and (iii) provide a connection to the Building potable water service to the Premises. Tenant shall provide and install a water meter at this connection with a remote reader to record Tenant's use of domestic water within the Premises. Tenant shall install, as part of its electrical service switchgear, a CT cabinet with an electrical usage meter as required by the Utility Service Provider. If the Utility Service Provider will not allow individual direct metering for Tenant's service, this meter shall be used to measure Tenant's direct usage of electricity within the Premises, (including the electricity consumed in providing HVAC service to the Premises), for which Tenant shall reimburse Landlord at the direct billing rates charged to Landlord by the Utility Service Provider. Landlord shall bill Tenant monthly for such electrical consumption and hot water consumption as a recurring charge, and Tenant shall pay each such invoice, as Additional Rent, within thirty (30) days after receipt of an invoice therefor. All costs, charges and expenses associated with the commencement of the provision by a particular Utility Service Provider to Tenant or to the Premises at the request of Tenant (e.g., installation charges, service deposits) shall be the sole responsibility of Tenant.

(c) Tenant shall timely pay all costs and expenses associated with any directly and separately metered utilities provided exclusively to the Premises directly to the applicable service provider. Tenant shall pay all costs and expenses associated with utility charges that are based on sub-metering or check metering directly to Landlord, without mark-up by Landlord on account of Landlord's administration of such charges, within thirty (30) days of invoice therefor by Landlord. With respect to any Utility Services that are not either separately metered or measured by a check meter or submeter (including, without limitation, HVAC service provided to any portion of the Premises by means of the Building HVAC system rather than HVAC units serving solely the Premises), Tenant shall pay the cost of the same as part of Operating Costs payable hereunder. Tenant may, no more than once per calendar year, conduct an engineering survey at its sole cost and expense to determine whether the submeters and/or check meters are accurately measuring the particular services to be measured thereby and, if Tenant discovers any metering inaccuracies as a result of such survey and such inaccuracies result in an error in the amount billed to Tenant, Landlord shall promptly refund the overpayment within ten (10) Business Days after receipt of notice from Tenant of such inaccuracy. If requested by Landlord, Tenant and the persons conducting the engineering survey for Tenant shall enter into a reasonable confidentiality agreement prior to inspecting such meters, which shall permit Tenant to disclose the results of such survey to the extent required to enforce its rights hereunder. If the survey shows any errors resulting in any underpayment for such services, Tenant shall reimburse Landlord for Tenant's share of such underpayment, as Additional Rent, within ten (10) Business Days of demand. In no event shall Tenant engage any person in connection with such engineering survey whose fees or costs are payable, in whole or part or directly or indirectly, in a contingent manner or by means of any commission depending on the survey outcome. Any dispute regarding amounts due, or accuracy of the meters, under this paragraph shall be resolved in accordance with Section 16.17 of this Lease at the request of Landlord or Tenant, which request shall be made with respect to disputes regarding amounts due, no later than one hundred eighty (180) days after Tenant receives Landlord's Annual Operating Statement for the fiscal year in question (any bill not disputed within such one hundred eighty (180) day period shall be deemed final and conclusive). Landlord shall not be liable for any interruption or failure in the supply of any utilities or Utility Services.

(d) To the maximum extent permitted by law, Landlord shall have the right at any time and from time to time during the Term to contract for or purchase one or more Utility Services from any company or third party providing Utility Services (“**Utility Service Provider**”) to the Building, provided that the rates charged by such Utility Service Provider are competitive with the current market rates. Subject to Section 9.06, Tenant agrees reasonably to cooperate with Landlord and such Utility Service Providers and at all times as reasonably necessary, and on reasonable advance notice (except in the event of emergency), shall allow Landlord and the Utility Service Providers reasonable access to any utility lines, equipment, feeders, risers, ducts, shafts, fixtures, wiring and any other such machinery or personal property within the Premises and associated with the delivery of Utility Services.

(e) Except for the Initial Tenant Work and the equipment and appliances being installed in connection therewith, Tenant agrees that it will not make any material alteration or material addition to the electrical equipment and/or appliances in the Premises which would require increased electrical service to the Premises or modifications to the structure of the Unit or the Building, without the prior written consent of Landlord in each instance, which consent will not be unreasonably withheld, conditioned or delayed, and using contractor(s) reasonably approved by Landlord, and will promptly advise Landlord of any other alteration or addition to such electrical equipment and/or appliances (as to which Landlord’s prior written consent shall not be required). Landlord agrees to respond to any request for approval made by Tenant pursuant to this subsection (c) within ten (10) Business Days after its receipt of such request.

6.02. Building Services and Building Systems.

(a) In addition to the services described in Section 6.01, Landlord shall provide the following services to common areas within the Unit, the costs of which are included within Operating Expenses:

- (i) Janitorial services for the Unit common areas as described in Exhibit E attached hereto.
- (ii) Unit entry security consistent with similar “first-class” laboratory and office buildings in the vicinity of the Unit as described in Exhibit E attached hereto.
- (iii) Landlord shall arrange for and provide (as defined below) to the common areas of the Unit those services as set forth in Exhibit E attached hereto.
- (iv) Landlord shall provide HVAC service to the common areas of the Unit by means of the Unit mechanical system, during Normal Business Hours, at such temperatures and in such amounts as are reasonably deemed by Landlord to be in keeping with the first-class standards of the Unit.
- (v) Landlord shall provide for the maintenance and repair of HVAC systems that are common to all tenants of the Unit.

Tenant acknowledges that Landlord has not made any warranty or representation to Tenant as to the efficacy of the security services that Landlord is required to provide under this Lease.

(b) Tenant shall, at its sole cost and expense, provide janitorial services to the Premises on each Business Day during the Term. In addition, Tenant shall arrange for the removal and disposal of its lab-related refuse by a licensed vendor, all at Tenant’s sole cost and expense, such removal and disposal to be accomplished in accordance with all applicable Legal Requirements.

(c) Tenant shall have the ability to control the provision of heat, ventilation or air conditioning to the portions of the Premises served by the Building mechanical systems (as opposed to being provided by means of any HVAC equipment or system installed by or on behalf of Tenant and serving only the Premises). The electricity and natural gas consumed in providing HVAC service to the Premises through the Building mechanical system shall be measured by a submeter and charged back to Tenant by Landlord at Landlord's actual cost, without mark-up. The hot water consumed in providing HVAC service to the Premises through the Building mechanical system shall be metered to Tenant. Landlord shall bill Tenant monthly for such electrical and natural gas consumption and hot water consumption as a recurring charge, and Tenant shall pay each such invoice, as Additional Rent, within thirty (30) days after receipt of an invoice therefor. Tenant agrees to cooperate fully with Landlord with regard to, and to abide by all the reasonable regulations and requirements which Landlord may prescribe for, the proper functioning and protection of the air conditioning system of general applicability to all occupants of the Building and provided such regulations and requirements are provided in writing to Tenant thirty (30) days in advance.

(d) If Tenant desires HVAC service to a common area of the Building outside of Normal Business Hours, Landlord will use reasonable efforts, upon not less than twenty-four (24) hours' prior written notice from Tenant of its requirements in that regard, to furnish additional heat or air conditioning services to such common area during such requested times. Tenant will pay to Landlord Landlord's hourly charge, as the same may be adjusted from time to time by Landlord, for any such additional heat or air conditioning service required by Tenant.

Excluding any equipment to be installed as part of the Initial Tenant Work, in the event Tenant requires additional air conditioning for business machines, meeting rooms or other special purposes, or because of occupancy or excess electrical loads, any additional air conditioning units, chillers, condensers, compressors, ducts, piping and other equipment, such additional air conditioning equipment shall be installed within the Tenant's Premises, but only if, in Landlord's reasonable judgment, the same will not cause damage or injury to the Building or create a dangerous or hazardous condition. At Landlord's sole election, such equipment will either be installed:

- (i) by Landlord at Tenant's expense and Tenant shall reimburse Landlord within thirty (30) days of demand (to the extent that such equipment will serve portions of the Unit other than the Premises, Tenant shall only be obligated to pay its proportionate share of such cost), as Additional Rent, in such an amount as will compensate it for the cost incurred by it in operating, maintaining, repairing and replacing, if necessary, such additional air conditioning equipment. At Landlord's election, such equipment shall be maintained, repaired and replaced by Tenant at Tenant's sole cost and expense, and throughout the Term of this Lease, Tenant shall, at Tenant's sole cost and expense, purchase and maintain a service contract for such equipment from a service provider reasonably approved by Landlord (to the extent that such equipment will serve portions of the Unit other than the Premises, Tenant shall only be obligated to pay its proportionate share of such costs). Tenant shall obtain Landlord's prior written approval of both the form of service contract and of the service provider, which approval shall not be unreasonably withheld, conditioned or delayed; or
- (ii) only if the additional equipment will exclusively serve the Premises, by Tenant, subject to Landlord's prior reasonable approval of Tenant's plans and specifications for such work. In such event: (i) such equipment shall be maintained, repaired and replaced by Tenant at Tenant's sole cost and expense, and (ii) throughout the Term of this Lease, Tenant shall, at Tenant's sole cost and expense, purchase and maintain a service contract for such equipment from a service provider approved by Landlord. Tenant shall obtain Landlord's prior written approval of both the form of service contract and of the service provider, which approval shall not be unreasonably withheld, conditioned or delayed.

(e) Pursuant to Section 10.03, Landlord shall repair, maintain in good condition and order, and replace all Building Systems, including the HVAC, plumbing, electrical, mechanical and other systems, to the extent to which the same were installed as part of the Base Building Work, subject to casualty, condemnation and matters described in Section 16.09, the cost of which shall be included in Operating Expenses to the extent provided in Section 7.01. Tenant shall be solely responsible, at its sole cost and expense, for repairing, maintaining and replacing all equipment which services solely the Premises, whether the same were initially installed by Landlord or Tenant, and whether the same were installed prior to the Rent Commencement Date or thereafter, except to the extent the need for such repair results from Landlord's negligence or willful misconduct or the negligence or willful misconduct of its agents, employees, contractors, and/or invitees. In no event shall Landlord be liable for any interruption or delay in providing any of the services described in this Section or in Exhibit E attached hereto by reason of any accident, the making of repairs, alterations or improvements, labor difficulties, trouble in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained for the Unit, governmental restraints, or any cause beyond Landlord's control (but if such interruption or service is the result of causes, events or circumstances within the Landlord's reasonable control and the cure of such interruption or delay is within Landlord's reasonable control, then the provisions of **Section 6.03** shall apply).

(f) Notwithstanding anything to the contrary contained in this Article 6 or elsewhere in this Lease, Landlord may institute, and Tenant shall comply with, such policies, programs and measures as may reasonably be necessary, required, or expedient for the conservation and/or preservation of energy or energy services, or as may be necessary or required to comply with applicable Legal Requirements.

(g) Tenant acknowledges that the power identified in the Tenant/Landlord Matrix of Responsibility attached as Exhibit C-3 to this Lease will be adequate to supply its proposed permitted uses of the Premises. If, however, Tenant subsequently determines that it will require electric current for use in the Premises in excess of the quantity which, in Landlord's reasonable judgment, Landlord's facilities are capable of providing, then Landlord, upon written request and at the sole cost and expense of Tenant, will furnish and install such additional wire, conduits, feeders, switchboards and appurtenances as reasonably may be required to supply such additional requirements of Tenant if current therefor be available to Landlord, provided that the same shall be permitted by applicable Legal Requirements and Insurance Requirements, and shall not cause damage to the Unit or the Building or the Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations or repairs.

(h) Tenant shall have the right to install, at its sole cost and expense, a security system for its Premises provided that (i) such security system is compatible with any security system installed by Landlord with respect to the Unit and the Building as a whole, (ii) Tenant shall provide Landlord with access cards, keys or codes as required to gain entry into all parts of the Premises, subject to the provisions of Section 9.06, and (iii) upon request by Landlord (in its sole discretion), Tenant shall remove all components of such security system upon the expiration or earlier termination of the term of this Lease.

(i) For the Term of this Lease, Landlord shall contract for the provision of scheduled shuttle private bus service or other vehicular transportation for employees of Tenant and other tenants at the Development to and from the Development and the Harvard Square MBTA Red Line Station, as more particularly provided in Exhibit F attached hereto.

6.03. Service Interruptions. When necessary by reason of accident or emergency, or for repairs, alterations, replacements or improvements which in the reasonable judgment of Landlord are desirable or necessary to be made, or by reason of event(s) of Force Majeure, Landlord reserves the right to interrupt, curtail, stop or suspend (i) the furnishing of heating, elevator, air conditioning, and cleaning services and (ii) the operation of the plumbing and electric systems. Landlord shall exercise reasonable diligence to eliminate the cause of any such interruption, curtailment, stoppage or suspension, but there shall be no diminution or abatement of rent or other compensation due from Landlord to Tenant hereunder, nor shall this Lease be affected or any of the Tenant's obligations hereunder reduced, and the Landlord shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems, except as provided herein. Landlord shall schedule all non-emergency interruptions, curtailments, stops or suspensions of services or systems in advance and shall notify Tenant thereof.

Notwithstanding the foregoing, Tenant shall be entitled to a proportionate abatement of Base Rent in the event of a Landlord Service Interruption (as defined below). For the purposes hereof, a "**Landlord Service Interruption**" shall occur in the event (i) the Premises shall lack any service which Landlord is required to provide hereunder thereby rendering either (a) at least fifty (50%) percent of the usable area of the Premises or (b) all of the lab space within the Premises, untenable for the entirety of the Landlord Service Interruption Cure Period (as defined below); (ii) such lack of service was not caused by the act or omission of Tenant or any Tenant Party; (iii) Tenant, in fact, ceases to use either (a) at least fifty (50%) percent of the usable area of the Premises or (b) all of the lab space within the Premises for the entirety of the Landlord Service Interruption Cure Period, for the entirety of the Landlord Service Interruption Cure Period; and (iii) such interruption of service was the result of causes, events or circumstances within the Landlord's reasonable control and the cure of such interruption is within Landlord's reasonable control. During such Landlord Service Interruption Period, Landlord will, if reasonably practical, cooperate with Tenant to arrange for the provision of any interrupted services on an interim basis via temporary measures until final corrective measures can be accomplished and Tenant will permit Landlord the necessary access to the Premises to remedy such lack of service, subject to the provisions of Section 9.06. For the purposes hereof, the "**Landlord Service Interruption Cure Period**" shall be defined as seven (7) consecutive Business Days after Landlord's receipt of written notice from Tenant of the Landlord Service Interruption. This Section 6.03 shall be Tenant's sole and exclusive remedy on account of an interruption of services or Landlord default resulting in an interruption of services other than Tenant's right to obtain affirmative injunctive relief. This Section 6.03 shall not apply to any interruption or failure of services required to be provided by Landlord under Section 6.02(a) or Exhibit E attached hereto, which is caused in whole or in part by any act or omission of Tenant or any Tenant Party, or by any occurrence described in Section 16.09, or by any cause whatsoever other than those set forth in the first sentence of this Section 6.03. Notwithstanding the foregoing, if either Landlord or Tenant disputes in good faith whether, or the extent to which, an event is subject to the provisions of this Section 6.03, or the amount of Tenant's abatement of Base Rent hereunder, such dispute shall be resolved in accordance with Section 16.17 of this Lease; provided, however, that in the event that it is ultimately determined that there was a Landlord Service Interruption, then Tenant shall have the right to a retroactive equitable abatement of Base Rent for the period as set forth above, provided that, if the Term expires before Tenant's entire retroactive abatement has been effected, then Landlord shall immediately refund to Tenant any overpayment of Rent due under the Lease not yet received on account of the retroactive abatement.

ARTICLE 7: OPERATING EXPENSES

7.01. Operating Expenses.

(a) “**Operating Expenses**” shall mean all costs and expenses of whatever nature associated with the ownership, operation, management, cleaning, maintenance or repair of the Unit, and of all Building Systems, together with all General Common Assessments (as defined in the Primary Condominium Master Deed) under the Primary Condominium Master Deed, and all special assessments under the Primary Condominium Master Deed, if any, all as described in the Condominium Documents and allocated to the Unit under the Condominium Documents or otherwise reasonably allocated to the Unit by Landlord. Operating Expenses include the costs and expenses incurred in connection with the following (subject to the limitations and exclusions set forth in this Section 7.01): compliance with Landlord’s obligations under Sections 6.01, 6.02 and 10.03; Common Area charges of the Condominium; utility, water and sewage services (in each case to the extent not metered to and payable by specific tenants of the Unit); maintenance of signs; supplies, materials and equipment purchased or rented; total wage and salary costs paid to, and all contract payments made on account of, all persons engaged in the management, operation, maintenance, security, cleaning and repair of the Unit or the Building or the Development, including Social Security, old age and unemployment taxes and so-called “fringe benefits”; services generally furnished to tenants of the Unit; maintenance, repair and replacement of Unit equipment and components; utilities consumed and expenses incurred in the operation, maintenance and repair of the Unit; costs incurred by Landlord to comply with the terms and conditions of any governmental approvals affecting operations at the Unit, the Building or the Development; workers’ compensation insurance and properly, liability and other insurance premiums; personal property taxes; rental or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Unit (provided that any such payments made to Affiliates of Landlord shall not exceed the amount otherwise payable in an arm’s length transaction); fees for required licenses and permits; shuttle and other transportation services operated or contracted for by Landlord to provide transportation for employees of tenants of the Development between the Development and mass transit locations (which shuttle may service other locations owned or controlled by Landlord, in which case Landlord shall equitably allocate the costs of such shuttle between the various properties); and property management fees (not in excess of three (3%) percent of the total Base Rent and Additional Rent payable by tenants in the Unit). Landlord may use third parties or Affiliates to perform any of these services, and the cost thereof shall be included in Operating Expenses, so long as such third parties are professional and such costs are comparable to market rate costs. Costs referred to in this Section shall be ascertained in accordance with generally accepted accounting principles and allocated to appropriate fiscal periods on the accrual method of accounting.

(b) Operating Expenses shall only include capital expenditures that (A) will, in Landlord’s reasonable estimate, result in a reduction in Operating Expenses payable by Tenant, taking into account the amount of annual amortization on account of the capital expenditure in question, or (B) are required to replace any capital items which have become obsolete or non-functional or which Landlord otherwise reasonably determines are required to be replaced in order to maintain the Unit as a first-class office and laboratory facility, or (C) are required by changes in Legal Requirements or Insurance Requirements occurring after the Delivery Date. Any capital expenditures not excluded from Operating Expenses pursuant to this paragraph shall be amortized over the useful life of the item in question as reasonably determined by Landlord in accordance with the relevant provisions of the Internal Revenue Code and the regulations promulgated thereunder, as amended from time to time, together with interest at Landlord’s actual interest rate incurred in financing such capital expenditures, or, if no part of such expenditure is financed, at an imputed interest rate equal to the Prime Rate plus 2%.

(c) Notwithstanding anything contained herein to the contrary, in no event shall Operating Expenses include any of the following:

- (1) expenses incurred by Landlord to lease space to new tenants or to retain existing tenants including marketing costs, brokerage commissions and concessions and leasehold improvement costs, finders’ fees, attorneys’ fees and expenses, entertainment costs and travel expenses;

- (2) debt service;
- (3) attorneys' fees incurred in connection with lease negotiations or disputes with individual tenants, and other expenses and attorneys' fees to resolve disputes, enforce or negotiate lease terms with prospective or existing tenants or in connection with any financing, sale or syndication of the Unit;
- (4) accountants' fees incurred in connection with disputes with individual tenants and/or the existence, maintenance or related operations of the legal entity or entities of which Landlord is comprised. Without limitation, the foregoing shall not exclude the costs of preparing financial statements for Operating Expenses;
- (5) the cost of any special work or service performed for any tenant (including Tenant) or licensee, such as after-hours HVAC service, which is billable to such tenant or licensee, or any costs in connection with services or benefits that are provided to or for the particular benefit of specific (but less than all of) the tenants and billable to them;
- (6) the cost of any items for which Landlord is reimbursed by insurance, condemnation, licensees, tenants (other than through general operating expense provisions) or otherwise;
- (7) the cost of any additions, changes, replacements, painting, decorating, renovations and other items that are made solely in order to prepare tenant space for a new tenant's occupancy, or the cost of any other work in any space leased to an existing or prospective tenant or other occupant of the Unit;
- (8) interest, principal, points and fees, amortization or other costs and expenses associated with any debt or amortization payments on any mortgage or deed to secure debt and rental under any ground lease, master space lease or other underlying lease;
- (9) any expenses for repairs or maintenance to the extent reimbursed due to warranties and service contracts;
- (10) any cost that Tenant pays for directly (either to Landlord or a third party);
- (11) any cost for which Landlord is reimbursed by a warranty that Landlord is required to obtain in connection with the Unit pursuant to this Lease or that Landlord otherwise obtains in connection with the Unit;
- (12) any amounts paid to an Affiliate of Landlord for the performance of services that is in excess of the amount that would have been paid on an arm's length basis in the absence of such relationship;
- (13) depreciation and amortization of the Unit or any part thereof (except as otherwise provided in Section 7.01(b) above);
- (14) salaries and bonuses and benefits of officers, executives of Landlord and administrative employees above the grade of property manager or building supervisor, and if a property manager or building supervisor or any personnel below such grades are shared with other buildings or has other duties not related to the building containing the Premises, only the allocable portion of such person's or persons' salary, bonuses, and benefits shall be included in Operating Expenses;

- (15) Landlord's general overhead and administrative expenses;
- (16) cost of alterations, capital improvements, equipment replacement and other items which under generally accepted accounting principles are properly classified as capital expenditures except as provided in Section 7.01(b);
- (17) expenses incurred by Landlord to the extent the same are chargeable to any other tenant or occupant of the Unit, or to any third party;
- (18) any cost incurred solely because of the negligence or willful misconduct of Landlord, its agents and employees;
- (19) penalties, fines and other costs incurred due to violation by Landlord of any lease, the Condominium Documents, or any Legal Requirements or Title Matters applicable to the Building;
- (20) Taxes;
- (21) costs and expenses incurred by Landlord in connection with the repair of damage to the Building or the Unit caused by fire or other casualty, insured or required to be insured against hereunder, other than the deductible amount under such insurance policies;
- (22) the cost of correcting defects in the initial construction of the Building;
- (23) the cost of any item for which Landlord is reimbursed through condemnation awards;
- (24) costs and expenses of investigating, monitoring and remediating hazardous materials which were present on or beneath the surface of the Land as of the Date of Lease;
- (25) the cost of providing any service directly to and paid directly by a single individual lessee, or costs incurred for the benefit of a single lessee;
- (26) repairs necessitated by the gross negligence or willful misconduct of Landlord or Landlord's employees, agents, or contractors;
- (27) charitable or political contributions and membership fees or other payments to trade organizations;
- (28) costs in connection with services that are provided to another lessee or occupant of the Building, but are not offered to Tenant;
- (29) costs or expenses incurred in connection with the financing or sale of the Project or any portion thereof;
- (30) fines, penalties, interest or other amounts imposed in connection with the Landlord's failure to pay any tax when due;

- (31) any item that, if included in Operating Expense, would involve a double collection for such item by Landlord; and
- (32) the cost of any “tap fees” or one-time lump sum sewer or water connection fees for the Building payable in connection with the initial construction of the Building, but not including any such fees payable by any specific tenant in connection with obtaining or maintaining any permit or license issued to such tenant in connection with its water or sewer connection or usage (e.g., a MWRA Industrial User Permit).

Tenant shall pay Tenant’s Percentage Share of Operating Expenses in accordance with Section 4.02.

ARTICLE 8: INSURANCE

8.01. Coverage. Tenant shall maintain throughout the Term, at its sole cost and expense, insurance for the benefit of Tenant and Landlord (as their interests may appear) from insurers licensed to do business in the state in which the Development is located, rated at least “A:IX” by A.M. Best, with terms and coverages satisfactory to Landlord, and with such increases in limits as the holder of any mortgage on the Unit (either alone or as part of a larger mortgaged property) may from time to time require, or as Landlord may from time to time reasonably require (provided that such limits are the same as those then being provided by similar types of tenants in the greater Boston area under leases of similar types of premises). Initially, Tenant shall maintain the following on an occurrence basis (except as otherwise expressly provided below):

- (A) Commercial general liability insurance on an occurrence basis naming Landlord, Landlord’s managing agent and Landlord’s mortgagee(s) of which Tenant has received prior written notice from time to time as additional insureds, insuring against all claims and demands for personal injury liability (including bodily injury, sickness, disease, and death) or damage to property, with combined single limits of not less than \$5,000,000 per occurrence and \$5,000,000 in the aggregate, which coverages may be effected by primary or excess coverage. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an “insured contract” for the performance of Tenant’s indemnity obligations under this Lease. Such insurance shall be primary and not contributing to any insurance available to Landlord, and Landlord’s insurance (if any) shall be in excess thereto;
- (B) Property insurance covering property damage and business interruption. Covered property shall include all Tenant improvements in the Premises other than the Initial Tenant Work, but including all other Tenant Work, and Tenant’s Property. Such insurance, with respect only to Tenant Work, shall name Landlord and Landlord’s mortgagees of which Tenant has received written notice from time to time as additional loss payees as their interests may appear. Such insurance shall be written on an “all risk” of physical loss or damage basis including the perils of fire, extended coverage, windstorm, vandalism, malicious mischief, sprinkler leakage, flood and earthquake, and such other risks Landlord may from time to time designate (provided that insurance for such risks is then commercially available at commercially reasonable rates and is being carried by similar tenants for research and laboratory facilities in the vicinity of the Unit), for the full replacement cost of the covered items (provided that coverage limits for flood and earthquake coverages may be in lesser but commercially reasonable amounts) and in amounts that meet any co-insurance clause of the policies of insurance, with a deductible amount not to exceed a then-commercially reasonable deductible, which initially shall be no greater than \$50,000 (other than for flood and earthquake, for which such deductibles shall initially be no greater than \$100,000);

- (C) Workers' compensation insurance with statutory benefits and employers liability insurance in the following amounts: each accident, \$1,000,000; disease (policy limit), \$1,000,000; disease (each employee), \$1,000,000;
- (D) Any and all other insurance required by the Condominium Documents;
- (E) Pollution legal liability insurance covering first and third-party claims for clean-up costs, personal injury and property damage on an on-site and off-site basis, with a single claim and aggregate claim amount of Three Million Dollars (\$3,000,000.00), naming Landlord, Landlord's managing agent and Landlord's mortgagee(s) from time to time as additional insureds. The parties acknowledge and agree that the insurance required by this paragraph (E) shall not include coverage for pre-existing environmental conditions at the Development as of the Date of Lease;
- (F) During all construction by Tenant, Tenant shall maintain with respect to the Premises and the Unit adequate builder's risk insurance, in form and amount reasonably satisfactory to Landlord based upon the scope of work, (and Landlord, its mortgagees of which Tenant has received written notice, and any ground or master lease lessors of which Tenant has received written notice shall be named as an additional insured party as their interest may appear).

Tenant shall give Landlord certificate(s) evidencing (i) the coverages required by **Sections 8.1(A), (B), (C) and (D)** on or before the Date of Lease, which coverages shall be effective as of such date, (ii) the coverage required by **Section 8.1(E)** not later than thirty (30) days prior to the earlier of either (x) the first delivery of Hazardous Materials to the Premises for Tenant's use or (y) Tenant's occupancy of any portion of the Premises for the conduct of business therein, which coverage shall be effective not later than the earlier of the dates set forth in the foregoing clauses (x) and (y), and (iii) the coverage required by **Section 8.1(F)** not later than thirty (30) days prior to the date on which Tenant anticipates that Tenant's Contractor will commence its on-site mobilization for the performance of the Initial Tenant Work, which coverage shall be effective not later than the date on which Tenant's Contractor actually commences such on-site mobilization. Thereafter, Tenant shall provide certificates of each insurance coverage required by this Section not less than thirty (30) days before the expiration of such insurance coverage. All insurance certificates required to be provided by Tenant shall state that such coverages may not be canceled without at least ten (10) days' prior written notice to Landlord and Tenant for cancellation due to non-payment and thirty (30) days' prior written notice to Landlord and Tenant for other cancellations. Tenant shall provide written notice to Landlord of any amendments to Tenant's insurance policies which could materially and adversely affect Landlord's interest not later than the effective date of such amendment. All deductible amounts or self-insured retentions shall be commercially reasonable in amount, and shall be the sole responsibility of Tenant. In addition, Tenant shall cause Tenant's Contractor to provide to Tenant on or before the Date of Lease certificates evidencing the coverages required by **Sections 8.1(A), (B), (C) and (D)** maintained by Tenant's Contractor, and naming as additional insureds Landlord, Landlord's managing agent and Landlord's mortgagee(s) of which Tenant has received prior written notice from time to time, which coverages shall be effective as of such date, and thereafter to provide to Landlord certificates of each such insurance coverage not less than thirty (30) days before the expiration of such insurance coverage.

If Tenant does not procure the insurance required pursuant to this Section, or keep the same in full force and effect, Landlord may, but shall not be obligated to, take out the necessary insurance and pay the premium therefor after notice thereof to Tenant, and Tenant shall repay to Landlord, as Additional Rent, the amount so paid (together with interest thereon at the Default Rate) within ten (10) days of demand. In addition, Landlord may recover from Tenant, as Additional Rent, any and all reasonable expenses (including reasonable attorneys' fees) and damages which Landlord may sustain by reason of the failure by Tenant to obtain and maintain such insurance, it being expressly declared that the expenses and damages of Landlord shall not be limited to the amount of the premiums thereon. The foregoing rights and remedies of Landlord shall not be deemed to waive any default or Event of Default under this Lease resulting from any such failure by Tenant to procure or to maintain in full force and effect any insurance required by this Section.

8.02 Avoid Action Increasing Rates. Tenant shall not use or permit any use of the Premises beyond the Permitted Use that in any way that will make voidable any insurance on the Unit, the Building or the Development, or on the contents thereof, or which shall be contrary to any requirements from time to time established or made by Landlord's insurer, or which increases the cost of Landlord's insurance or requires additional insurance. Tenant shall cure any breach of this Section within ten (10) days after notice from Landlord or Tenant otherwise learning of such by (i) stopping any use that jeopardizes any insurance coverage or increases its cost or (ii) paying the increased cost of insurance. Tenant shall have no further notice or cure right under Article 13 for any such breach. Tenant shall reimburse Landlord within ten (10) days of demand, as Additional Rent, for all of Landlord's costs reasonably incurred in providing any insurance that is attributable to any special endorsement or increase in premium resulting from the business or operations of Tenant other than those customarily associated with laboratory use for the type of medical research conducted by Tenant, and any special or extraordinary risks or hazards resulting therefrom, including any risks or hazards associated with the generation, storage and disposal of Hazardous Materials.

8.03. Waiver of Subrogation. Landlord and Tenant each waive any and every claim for recovery from the other for any and all loss of or damage to the Unit or any part of it, or to any of its contents, which loss or damage is covered by valid and collectible property insurance (or which would have been covered had the insurance policies required to be maintained by Tenant or Landlord under this Lease been in force, to the extent that such loss or damage would have been recoverable under such policies). This mutual waiver precludes the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), and Landlord and Tenant each agree to give written notice of this waiver to each insurance company that has issued or shall issue any property insurance policy to it, and to have such policies properly endorsed, if necessary, to prevent invalidation of the insurance coverage because of this waiver. In consideration of the foregoing, each of the parties hereto agrees with the other party that such insurance policies as it may have in effect during the Term of this Lease shall include a clause or endorsement which provides in substance that the insurance company waives any right of subrogation which it might otherwise have against Landlord, Landlord's managing agent, or Tenant.

8.04. Landlord's Insurance. Landlord shall maintain (or cause to be maintained) at all times during the Term: (a) special form property insurance coverage in an amount equal to the full replacement value of the Building (excluding Tenant's trade fixtures, equipment, Tenant Work (other than the Initial Tenant Work, which shall be insured by Landlord), Tenant's Property and property not owned by Landlord); and (b) commercial general liability insurance covering the Development, (i) in the minimum amounts of One Million Dollars (\$1,000,000.00) per occurrence, with an annual aggregate limit of Two Million Dollars (\$2,000,000.00) for personal or bodily injury and damage to property, and (ii) an umbrella policy in the minimum coverage amount of Five Million Dollars (\$5,000,000.00) per occurrence, with an annual aggregate limit of Five Million Dollars (\$5,000,000.00); and (iii) any and all other insurance required to be maintained by Landlord by the Condominium Documents. As set forth in Section 4.02, the cost of any such insurance shall be borne by Tenant and other tenants of the Development as part of Operating Costs.

ARTICLE 9: USE OF PREMISES

9.01. Permitted Uses.

(a) Tenant shall use the Premises only for the Permitted Uses described in Article 1 and for no other use. Tenant shall keep the Premises equipped with appropriate safety appliances to the extent required by applicable Legal Requirements or Insurance Requirements. Tenant shall not cause or permit any potentially harmful air emissions, odors of cooking or other processes, or other objectionable odors or emissions to emanate from the Premises. Tenant shall not conduct or permit any auctions or sheriff's sales at the Premises.

(b) If Tenant intends to conduct animal research within the Premises, such research shall be limited to biopharmaceutical research and development, including the handling and testing of laboratory mice and laboratory rats only (the "**Permitted Animals**") in connection therewith, and for no other purpose or use. If Tenant proposes to use any animals other than the Permitted Animals in its operations, it shall first obtain the prior written consent of Landlord, which consent Landlord shall not unreasonably withhold. Animal research, solely of Permitted Animals, shall be permitted subject to the following: (a) all testing and research shall be conducted in strict compliance with all applicable Legal Requirements and with good scientific and medical practice; (b) all dead animals, any part thereof or any waste products related thereto, shall be disposed of, at Tenant's sole cost and expense, in strict compliance with all applicable Legal Requirements and with good scientific and medical practice; (c) no odors, noises or any similar nuisance shall be permitted to emanate from the vivarium; and (d) Tenant's use of research animals shall not interfere with the peaceable and quiet use and enjoyment by other tenants or occupants of the Unit or the Building of their respective demised premises. Tenant shall procure and deliver to Landlord copies of all permits and approvals necessary for the use and operation of the vivarium and the keeping of Permitted Animals before allowing any actual Permitted Animals into the Premises and shall maintain such permits and approvals in full force and effect at all times during the Term. Tenant shall indemnify, save harmless and defend the "indemnitees" (as defined in Section 9.02 hereof) from and against all liability, claim, damage, loss or cost (including reasonable attorneys' fees) arising out of or relating to the use and operation of the vivarium and the presence of the Permitted Animals in and about the Premises, except to the extent to which the same was caused by the negligence or willful misconduct of any of the Indemnitees.

9.02. Indemnification. Tenant is responsible for the Premises and any Tenant's improvements, equipment, facilities and installations, wherever located in the Building or the Land, and all liabilities, including tort liabilities, incident thereto, except to the extent caused by the negligence or willful misconduct of Landlord, Landlord's agents, employees, contractors or invitees, or the Indemnitees. Except to the extent caused by the negligence or willful misconduct of Landlord, Landlord's agents, employees, contractors or invitees, or the Indemnitees, Tenant shall indemnify, save harmless and defend Landlord and Landlord's partners, trustees, beneficiaries, shareholders, members, managers, owners, officers, directors, mortgagees, ground lessors, agents, employees, independent contractors, Landlord's managing agent and other persons acting under them (collectively, "**Indemnitees**"), from and against all liability, claim, damage, loss or cost (including reasonable attorneys' fees) arising in whole or part out of, or in any way related to, (i) any alleged or actual injury, loss, theft or damage to any person or property while on the Premises or the Limited Common Elements (to the extent such Limited Common Elements are within the exclusive use and control of Tenant); (ii) any alleged or actual injury, loss, theft or damage to any person or property while on the Development (other than within the Premises) to the extent arising from the acts or omissions of Tenant or persons claiming by, through or under Tenant, or any of their respective officers, employees, agents, servants, contractors or invitees (collectively, "**Tenant Parties**"); (iii) any alleged or actual condition within the Premises; or (iv) failure of Tenant or any Tenant Party to comply with any provision of this Lease or the Condominium Documents, in each case under (i) through (iv) above paying any cost to Landlord on demand as Additional Rent.

The provisions of this **Section 9.02** shall survive the expiration or earlier termination of this Lease.

9.03. Compliance With Legal Requirements and Title Matters.

(a) Tenant shall not permit the Premises, or cause the Premises or the Unit or the Building, to be used in any way that violates any applicable law, code, ordinance, governmental regulation, order, permit, approval or any other governmental consent (each a "**Legal Requirement**") or Title Matter or any provision of the Condominium Documents, or that unreasonably interferes with the use of other portions (i.e., other than the Premises) of the Unit or the Building by other tenants of the Unit or the Building, or constitutes a nuisance or waste. Landlord hereby states that none of the existing Title Matters set forth on **Exhibit D** attached hereto will prohibit the use of the Premises for its intended use as laboratory, research and development and general office purposes. Tenant shall, at its sole cost and expense, be responsible for compliance with all Legal Requirements and Title Matters applicable to the Premises (or to the Unit or the Building solely by reason of Tenant's specific use of the Premises, as opposed to general laboratory and office uses); provided that Tenant shall only be responsible for Tenant's Percentage Share of such costs required to comply with all Legal Requirements and Title Matters if such non-compliance is applicable to the general permitted use of the Building or the Unit. The foregoing notwithstanding, Landlord, and not Tenant, shall be responsible for making all improvements and alterations to the common areas of the Development, the Unit and the Building which are required to cause the same to comply with all present and future Legal Requirements (the cost of which shall be included in Operating Expenses pursuant to Section 7.01(b)).

(b) Tenant shall be responsible, at its sole cost and expense, for procuring and maintaining in full force and effect, and complying at all times with, any and all necessary permits, certifications, permissions and the like and complying with any reporting requirements directly relating or incident to the conduct of its activities on the Premises. Within ten (10) Business Days of a request by Landlord, which request shall be made not more than once during each period of twelve (12) consecutive months during the Term hereof, unless otherwise requested by any mortgagee of Landlord or prospective purchaser of the Unit (either by itself or as part of a mortgage on or purchase of a larger portion of the Development), Tenant shall furnish Landlord with copies of all such permits that Tenant has obtained. Tenant shall promptly give notice to Landlord of any written warnings or violations delivered by any governmental authority and resulting from Tenant's use or occupancy of, or any condition within, the Premises (including building code violations, fire safety code violations, wastewater management violations, OSHA violations, or violations of Legal Requirements (including Environmental Laws)) received from any federal, state, or municipal agency or any court of law within ten (10) Business Days after Tenant's receipt of such notice and shall promptly cure the conditions causing any such violations. Tenant shall not be deemed to be in default of its obligations under the preceding sentence to promptly cure any condition causing any such violation in the event that, in lieu of such cure, Tenant shall contest the validity of such violation, or apply for a variance or permission to allow such use by appellate or other proceedings permitted under applicable Legal Requirements, provided that: (i) any such contest is made reasonably and in good faith, (ii) Tenant makes provisions reasonably acceptable to Landlord, including posting bond(s) or giving other security reasonably acceptable to Landlord, to protect Landlord and its mortgagees, and the Unit from any liability, costs, damages or expenses arising in connection with such violation and failure to cure, (iii) Tenant agrees to indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord and its mortgagees harmless from and against any and all liability, costs, damages, or expenses arising in connection with such condition and/or violation, except to the extent to which such condition was caused by the negligence or willful misconduct of Landlord or Landlord's

employees, agents, contractors or invitees, (iv) Tenant shall promptly cure any violation in the event that its appeal of such violation is overruled or rejected, (v) Tenant shall certify to Landlord's and its mortgagees' reasonable satisfaction that Tenant's decision to delay such cure is not reasonably expected to result in any actual or threatened bodily injury or property damage to Landlord, any tenant or occupant of the Unit or the Building or any other person or entity, and (vi) this Lease is in full force and effect and no Event of Default has occurred and is then continuing.

9.04. Hazardous Materials.

(a) **"Environmental Law"** shall mean all statutes, laws, rules, regulations, codes, ordinances, standards, guidelines, authorizations and orders of federal, state or local public authorities now in force or hereafter enacted, modified, or amended pertaining to the protection of the environment or to health or safety risks arising therefrom, including, but not limited to, control of air pollution, water pollution, groundwater pollution, and the generation, manufacture, management, handling, use, sale, transportation, delivery, discharge, emission, treatment, storage, disposal, release or threatened release of Hazardous Materials. To the extent applicable, such laws include, but are not limited to: (1) the Clean Air Act, 42 U.S.C. § 7401, et seq.; (2) the Clean Water Act, 33 U.S.C. § 1251, et seq.; (3) the Safe Drinking Water Act, 42 U.S.C. § 300f, et seq.; (4) the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; (5) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.; (6) the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; (7) Title III of the Superfund Amendments and Reauthorization Act, also known as the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001; (8) the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; (9) federal regulations promulgated pursuant to any of the foregoing statutes; (10) Massachusetts laws and regulations enacted in order to implement federal environmental statutes and regulations; (11) the Massachusetts Hazardous Waste Management Act, M.G.L. c. 21C; (12) the Massachusetts Oil and Hazardous Materials Release Prevention and Response Act, M.G.L. c. 21E; (13) the Hazardous Substances Disclosure by Employers Act, M.G.L. c. 111F; (14) Massachusetts regulations promulgated pursuant to the authority of applicable state environmental laws; and (15) local ordinances and regulations.

"Hazardous Materials" shall mean, but shall not be limited to, any products, hazardous substances, hazardous waste, toxic substances, environmental, biological, pathological, chemical, radioactive materials, waste or substances, oil or petroleum products and any material, waste or substance, which because of its quantitative concentration, chemical, biological, radioactive, flammable, explosive, infectious, or other characteristics, constitutes or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or to the environment, including any asbestos (whether or not friable) and any asbestos-containing materials, lead paint, waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCBs), toxic metals, etchants, pickling and plating wastes, explosives, reactive metals and compounds, pesticides, herbicides, radon gas, urea formaldehyde foam insulation and chemical, biological and radioactive wastes, or any other materials or substances that are mentioned under or regulated by any Environmental Law; and including any other products or materials subsequently found by an authority of competent jurisdiction to have adverse effects on the environment or the health and safety of persons.

(b) Tenant, at its sole cost and expense, shall comply with all Environmental Laws pertaining to the transportation, use, storage, generation, disposal, release or discharge of Hazardous Materials to, from or at the Premises by Tenant or any Tenant Party, including obtaining all required permits and approvals therefor. Provided that the same is performed at all times in accordance with the provisions of this Lease, Tenant may generate, produce, bring upon, use, store or treat Hazardous Materials in the Premises which are (a) typically found in commercial construction sites (which shall apply only during such time as Tenant is performing construction at the Premises as provided for in this Lease), (b) cleaning

products or office supplies typically used in laboratory/office space, and (c) materials otherwise used in the ordinary course of Tenant's operations and typically found in other leased laboratory space used for comparable purposes, as reasonably needed for Tenant's operations and research activities, and strictly in accordance with Environmental Laws. In all events Tenant shall comply with all applicable provisions of the standards of the U.S. Department of Health and Human Services as further described in the USDHHS publication Biosafety in Microbiological and Biomedical Laboratories (5th Edition, December 2009) as it may be further revised, or such nationally recognized new or replacement standards as may be reasonably selected by Landlord. Except as otherwise set forth above, Tenant shall not cause or permit any Hazardous Materials to be generated, produced, brought upon, used, stored, treated or disposed of to, from, or in or about the Premises by Tenant or any Tenant Party without Landlord's prior written consent, which may be withheld in Landlord's sole discretion. Any Hazardous Materials permitted to be stored on the Premises pursuant to this paragraph shall be stored in areas of the Premises exclusively designated by Tenant for such purpose to the extent required by Legal Requirements. Tenant shall have the right to store Hazardous Materials in "Control Areas" capable of holding Hazardous Materials in accordance with applicable Legal Requirements, including 780 CMR and 527 CMR requirements for "Control Areas", as follows: (i) Tenant shall have the right to use up to fifty (50%) percent of the storage capacity of one (1) "Control Area" located in the chemical storage area on the first floor of the Building, and (ii) Tenant shall have the right to use its pro-rata share (calculated on the basis of the three (3) tenant spaces in the West side of the Unit) of the storage capacity of one (1) "Control Area" on the second floor of the Building. Except as provided in the immediately preceding sentence, in no event shall any Hazardous Materials be generated, stored, used or disposed of outside of the Premises. Tenant shall not dispose of Hazardous Materials from the Premises to any other location except in strict compliance with all applicable Environmental Laws, nor permit any persons acting under it to do so. Notwithstanding the foregoing, Tenant shall not, in any event, be responsible for any Hazardous Materials to the extent such Hazardous Materials are introduced to the Development by anyone other than Tenant or any Tenant Party.

(c) Within five (5) Business Days after taking initial occupancy of the Premises, Tenant shall provide to Landlord a list of all Hazardous Materials used, stored or generated by Tenant in the Premises, including quantities of each anticipated to be used, together with the material safety data sheet ("MSDS") for each such Hazardous Material. Thereafter, within ten (10) Business Days of Landlord's request, Tenant shall provide Landlord with an updated list of all Hazardous Materials used, stored or generated by Tenant in the Premises, including quantities of each used, together with the MSDS for each such Hazardous Material. From time to time at Landlord's request, but not more than once in any six (6) month period unless either Tenant is in default of its obligations under this Section 9.04 or Landlord has reason to believe that a release of Hazardous Materials has occurred on, at or from the Premises caused by Tenant or a Tenant Party, Tenant shall execute affidavits, certifications and the like, in form reasonably acceptable to Tenant, to the best of Tenant's knowledge and belief, regarding the presence or absence of Hazardous Materials on the Premises or the Unit used, stored, generated, disposed of or released by Tenant or any Tenant Party. Furthermore, within fifteen (15) days after Landlord's request, Tenant shall make available to Landlord at the Premises, for review and audit by Landlord, all of Tenant's books and records relating to the types and amounts of all Hazardous Materials being generated, produced, brought upon, used, stored or disposed of by or on behalf of Tenant at, on or from the Premises, together with copies of any federal, state or municipal filings or compliance reports made by Tenant with respect to such Hazardous Materials that are required by applicable Environmental Law. Tenant agrees to pay the cost of any environmental inspection or assessment requested by any governmental agencies, mortgagees of the Unit (either by itself or as part of a larger mortgaged property), or by any insurance carrier to the extent that such inspection or assessment pertains to any release, threat of release, contamination, claim of contamination, loss or damage or deterioration of condition in the Premises caused by or alleged to be caused by Tenant or any Tenant Party (collectively, "**Environmental Incidents**").

(d) Landlord shall not be liable to Tenant or any Tenant Party or to any person or governmental authority whatsoever for any release of Hazardous Materials brought to the Premises by or on behalf of Tenant at any time during the Term, except to the extent caused by the negligence or willful misconduct of Landlord or its employees, agents, contractors or invitees. Landlord shall have the right, from time to time during the Term, but not more than once in any six (6) month period unless either Tenant is in default of its obligations under this Section 9.04 or Landlord has reason to believe that a release of Hazardous Materials has occurred on, at or from the Premises caused by Tenant or a Tenant Party, to enter upon the Premises upon reasonable prior notice to Tenant to perform environmental audits relating to the operations of Tenant and all those claiming through Tenant on the Premises, including (i) reviewing records relating to compliance with Environmental Laws and industry standards applicable to the generation, handling, use, storage and disposal of Hazardous Materials, (ii) observing techniques for handling, storing, using and disposing of Hazardous Materials, (iii) reviewing documentation relating to the off-Premises disposal of Hazardous Materials from the Premises, and (iv) conducting such tests as Landlord deems appropriate, all such work to be performed at Landlord's sole expense except as otherwise provided in the next sentence. In addition to, and not in limitation of the rights provided in the immediately preceding sentence, if required by any governmental agency or if Landlord reasonably believes that a release of Hazardous Materials has occurred on or from the Premises by Tenant or any Tenant Party or a threat of release exists arising from Hazardous Materials not being handled, stored, used or disposed of by Tenant or any Tenant Party in accordance with the requirements of this Lease and all applicable Environmental Laws, then Landlord may, but need not, perform appropriate testing and the reasonable costs thereof shall be reimbursed to Landlord by Tenant within ten (10) Business Days of demand, as Additional Rent, except that Landlord shall bear the cost of such testing if (i) Landlord (rather than a governmental agency) requested such testing and (ii) such testing determines that no such release has occurred as a result of the actions of Tenant or any Tenant Party and that Hazardous Materials are being handled, used, stored and disposed of in compliance with the terms of this Lease and all applicable Environmental Laws. Tenant shall cooperate with Landlord in connection with any environmental audits or other inspections or testing performed by Landlord pursuant to this Section. Landlord and any third parties conducting such audits and/or inspecting Tenant's books and records shall enter into reasonable non-disclosure and confidentiality agreements with Tenant, in form reasonably acceptable to Landlord and Tenant.

(e) If any transportation, generation, storage, use or disposal of Hazardous Materials on or about the Premises or the Land by Tenant or any Tenant Party, results in the threat of release, release onto, or other contamination of any portion of the Unit, the Building, the Land, or any other portion of the Development or adjacent areas, soil or surface or ground water, or any loss or damage to person(s) or property, Tenant agrees to: (a) notify Landlord promptly, once Tenant has knowledge or has received notice, of any release, threat of release, contamination, claim of contamination, loss or damage, and (b) after consultation with Landlord, clean up the release, threat of release, or contamination in compliance with all applicable Environmental Laws or Legal Requirements. In the event of such contamination, Tenant agrees to cooperate fully with Landlord and to provide such documents, affidavits and information as may be reasonably requested by Landlord (1) to comply with any Environmental Law or Legal Requirement, (2) to comply with the request of any lender, purchaser or tenant, and/or (3) for any other reason reasonably deemed necessary by Landlord. Tenant shall notify Landlord promptly in the event of any spill or other release of any Hazardous Material at, in, on, under or about the Premises, the Building or elsewhere within the Development by Tenant or any Tenant Party that is required to be reported to a governmental authority under any Environmental Law or Legal Requirement, shall promptly forward to Landlord copies of any written notices received by Tenant relating to alleged violations of any Environmental Law or Legal Requirement and shall promptly pay when due any fine or assessment against Landlord, Tenant, the Premises, the Unit or any other portion of the Development relating to any violation of any Environmental Law or Legal Requirement by Tenant or any Tenant Party. If any governmental authority files a lien against the Premises, the Unit or any other portion of the Development due to any act or omission, intentional or unintentional, of Tenant or any Tenant Party that results or has

resulted in the releasing, spilling, leaking, leaching, pumping, emitting, pouring, emptying or dumping of any Hazardous Material, Tenant shall, within ten (10) Business Days from the date that Tenant is first given notice of such lien (or within such shorter period of time as may be specified by Landlord if such governmental authority takes steps to enforce such lien) either (A) pay the claim and remove the lien or (B) furnish a cash deposit bond or such other security as is reasonably satisfactory in all respects to Landlord and sufficient to discharge the lien completely.

(f) Any increase in the premium for necessary insurance on the Premises or the Unit which arises from Tenant's use and/or storage of Hazardous Materials beyond those typically found in office and laboratory space used for comparable purposes shall be solely at Tenant's expense. Tenant shall procure and maintain at its sole expense such additional insurance as may be required to comply with any requirement of any federal, state or local government agency with jurisdiction.

(g) Except to the extent caused by the negligence or willful misconduct of Landlord, its employees, agents, contractors and/or invitees or the Indemnitees, Tenant shall indemnify, defend with counsel reasonably acceptable to Landlord and hold the Indemnitees fully harmless from and against any and all liability, loss, suits, claims, actions, causes of action, proceedings, judgments, demands, costs, penalties, damages, fines and expenses, including reasonable attorneys' fees (including reasonable attorneys' fees of Landlord's counsel and costs of litigation), consultants' fees, laboratory fees and cleanup costs, and the costs and expenses of investigating and defending any claims or proceedings, resulting from, or attributable to (i) the presence of any Hazardous Materials on or in the Premises, the Building or the Development arising from the act, omission or negligence of Tenant or any Tenant Party, or arising out of the generation, storage, treatment, handling, transportation, disposal or release by Tenant or any Tenant Party of any Hazardous Materials at or near the Premises or the remainder of the Development from and after such time, (ii) any violation(s) by Tenant or any Tenant Party of any Environmental Laws, (iii) any Environmental Incidents (as defined above) and (iv) any breach by Tenant of its covenants and obligations under this Section 9.04 or Section 10.07.

(h) The provisions of this Section 9.04 shall survive the expiration of the Term or the earlier termination of this Lease.

(i) Reference is made to Section 10.07 for provisions relating to the decommissioning of the Premises by Tenant upon the expiration of the Term or the earlier expiration of this Lease.

9.05. Signs. Except as expressly otherwise provided in this Section and except for the Initial Tenant Work, no sign, antenna or other structure or thing shall be erected or placed on the Premises or on any part of the exterior of the Building or otherwise erected or installed so as to be visible from the exterior of the Building, without first securing the written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Landlord, at Landlord's cost, shall provide building standard signage within the Unit lobby identifying Tenant. Landlord shall also provide to Tenant Tenant's Percentage Share of entries on any directory maintained by Landlord from time to time within the Unit. Tenant shall not have the right to install any monument sign or any name or logo plate on any monument sign which is from time to time installed by Landlord.

9.06. Landlord's Access. Subject to the provisions of this Section, Landlord or its agents may enter the Premises at all reasonable times to show the Premises to potential buyers, investors, tenants (but with respect to potential tenants, only in the final twelve (12) months of the Term) or other parties; to inspect and conduct tests in order to monitor Tenant's compliance with Legal Requirements governing Hazardous Materials; for purposes described in Sections 2.01, 9.04, 10.03 and/or 10.04(b); or for any other purpose Landlord reasonably deems necessary. No prospective lender, purchaser, or tenant claiming through Landlord shall be permitted access to the Premises without a representative of Landlord

present. Except in the event of an emergency posing an imminent threat of personal injury or damage to the Premises (in which event notice shall be provided as soon as reasonably practicable), Landlord shall give Tenant at least two (2) Business Days' prior notice (which may be oral) of any entry by Landlord into the Premises. Unless otherwise authorized by Tenant in advance, any entry into the Premises other than in case of emergency, shall occur only with a representative of Tenant or its authorized designee present; provided that if Tenant or its authorized designee fails to appear for a scheduled inspection or access by Landlord, Landlord may nevertheless proceed with such scheduled inspection or access. Notwithstanding the preceding provisions of this Section, in case of emergency, Landlord may enter any part of the Premises at any time without prior notice to Tenant provided that Landlord provides Tenant with notice of such entry as soon as reasonably possible thereafter. Landlord shall use reasonable efforts not to interfere with Tenant's use and occupancy of the Premises when exercising Landlord's rights under this paragraph. Landlord agrees to comply with Tenant's reasonable requirements (including without limitation requirements in connection with access, health, safety, and/or security checks) in connection with non-emergency access to the Premises to the extent to which the same are consistent with the provisions of this Section and have been provided to Landlord in writing prior to any such entry.

9.07. Landlord's Rules and Regulations. Tenant and all Tenant Parties shall observe Landlord's rules and regulations (the "**Rules and Regulations**") promulgated (and amended from time to time) with respect to the occupation and use of the Unit and the Premises and of general applicability to all tenants of the Building and the Unit (including all Rules and Regulations which are applicable only to tenants which are using their leased premises for office or laboratory purposes, such as Tenant), provided that (i) Tenant receives reasonable prior written notice of such Rules and Regulations, (ii) the same are not inconsistent with the provisions of this Lease, and (iii) such Rules and Regulations are applied in a non-discriminatory manner to all similar tenants. Landlord's initial Rules and Regulations are set forth in **Exhibit G** attached hereto. The Rules and Regulations may also include, if any portion of the Building is being used as an animal facility at any time, provisions specifically relating thereto. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations, or the terms, covenants or conditions in any other lease as against any other tenant and Landlord shall not be liable to Tenant for violation of the same by any other tenant or such other tenant's servants, employees, agents, contractors, visitors, invitees or licensees.

9.08. Compliance With Insurance Requirements. Tenant and all Tenant Parties shall at all times comply with the terms of any policy of insurance maintained by Landlord or Tenant and applicable to the Premises, the Unit, the Building or the Development, or any portion of any of the foregoing, and all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) (collectively, "**Insurance Requirements**").

9.09. Floor Load; Heavy Machinery. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by Legal Requirements. Tenant acknowledges receipt from Landlord of the foregoing floor load information. Landlord reserves the right to prescribe the weight and position of all heavy machinery and mechanical equipment, which shall be placed so as to distribute the weight. Heavy machinery and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance. Tenant shall schedule and coordinate the installation or moving of any heavy machinery, heavy equipment, freight, bulky matter, or other oversize fixtures into or out of the Building with Landlord or its property manager. If such machinery, equipment, freight, bulky matter or fixtures requires special handling, Tenant agrees to employ only persons holding a Master Rigger's License to do said work, and that all work in connection therewith shall comply with applicable Legal Requirements. Any such moving shall be at the sole risk and hazard of Tenant and Tenant will defend, indemnify and save Landlord harmless against and from any liability, loss, injury, claim or suit resulting directly or indirectly from such moving. Proper placement of all such heavy machinery, etc., in the Premises shall be Tenant's responsibility.

9.10. LEED/Energy Conservation Measures. Tenant acknowledges that Landlord is required by the terms of certain of the permits issued by the Town of Watertown for the Development to design and construct the Unit so as to be certifiable at a Silver level in the Leadership in Energy and Environmental Design Core & Shell program (“LEED-CS”), and has designed and constructed the Building to achieve that goal. Tenant further acknowledges and agrees that such certification will require Tenant to comply with the following requirements in connection with the design, construction, use and operation of its Premises:

- (1) **Mandatory Leadership in Energy and Environmental Design (LEED) Tenant Compliance.** Tenant shall meet the following design and construction requirements in support of and in compliance with the LEED-CS prerequisites and credits attempted within the base-building LEED-CS certification application:
 - a. **EAp3 Fundamental Refrigerant Management:** Any additional HVAC & Refrigeration equipment and/or systems installed by Tenant must comply with the following: *“zero use of chlorofluorocarbon (CFC)-based refrigerants in new heating, ventilating, air conditioning and refrigeration (HVAC&R) systems. Small HVAC units (defined as containing less than 0.5 pounds (228 grams) of refrigerant) and other equipment, such as standard refrigerators, small water coolers and any other equipment that contains less than 0.5 pounds (228 grams) of refrigerant, are not subject to the requirements of this prerequisite”.*
 - b. **IEQpl Minimum Air Quality Performance:** All mechanical ventilation systems installed by Tenant must *“meet the minimum requirements of Sections 4 through 7 of ASHRAE Standard 62.1-2007, Ventilation for Acceptable Indoor Air Quality. Mechanical ventilation systems must be designed using the ventilation rate procedure or the applicable local code, whichever is more stringent.”* Compliance must be demonstrated through calculations performed in alignment with the Ventilation Rate Procedure methodology as per section 6.2 of the ASHRAE 62.1-2007 standard.
 - c. **IEQp2 Environmental Tobacco Smoke Control (ETS):** Tenant is required to *“Prohibit smoking in the building. Prohibit on-property smoking within 25 feet (8 meters) of entries, outdoor air intakes and operable windows. Provide signage to allow smoking in designated areas, prohibit smoking in designated areas or prohibit smoking on the entire property.”*
- (2) **Mandatory Tenant Energy Conservation Measures (ECMs).** Tenant shall adhere to the following performance requirements to support and align with the Energy Conservation Measures incorporated in the base-building Core and Shell building systems and building envelope design and the LEED-CS whole building energy model:
 - a. **Lighting Power Density:** The installed interior lighting power in the Premises must be designed to be equal to or less than 0.75 Watts/SF using the Building Area Calculation Method as referenced in ASHRAE 90.1-2007.

b. **Lighting Controls:** Office tenants are required to provide the following lighting controls:

- **Daylight dimming:** The Premises shall be designed to meet the following daylight dimming requirements:
 - Automatic daylight harvesting controls must be provided in all tenant spaces that are within 15 ft of the exterior walls.
 - All lighting in these areas must be automatically controlled based on available daylight and is dimmed from 100% to 30% of the light output with a proportional power input reduction (from 100% to 30% of the power input).
 - The light level setpoint shall be 50 fc at a horizontal plane that is 2.5 ft above the floor.
- **Occupancy Sensors on Lighting:** Occupancy sensors must be provided for light control in all tenant spaces.

Beyond adhering to the requirements of the above listed LEED-CS prerequisites and credits, Tenant, at its own cost and expense, shall design and construct the Initial Tenant Work and all subsequent Tenant Work, and shall operate within the Premises, so as to render the Premises certifiable under the LEED 2009 program for Commercial Interiors at a Silver level. Even if third-party certification is not pursued, Tenant shall be required to comply with the aforementioned LEED prerequisites and credits. In addition to and without limiting any of the foregoing, Tenant shall comply with the LEED design, construction and performance requirements for Arsenal Yards set forth on **Exhibit K** attached hereto and incorporated herein by reference (the "**LEED Requirements**").

9.11. Emergency Generator. Tenant shall have the right to tie into and use the emergency generator to be installed by Landlord as part of the Base Building Work for use by tenants of the Unit (the "**Unit Generator**"). Tenant shall be responsible, at its sole cost and expense, for installing, maintaining, repairing and replacing its connection between the Premises and the Unit Generator, and all associated cabling. Tenant shall be permitted to use up to five (5) watts per square foot of Rentable Area in the Premises from the Unit Generator, and at no time shall Tenant exceed that use limitation with respect to the Unit Generator. Except to the extent that Tenant ties into the Unit Generator as part of the Initial Tenant Work in accordance with the provisions of the Work Letter, installation of such tie-in and any related cabling, conduit and appurtenances will be governed by the applicable provisions of this Lease relating to Tenant Work. Tenant will submit to Landlord at least thirty (30) days prior to the proposed installation date Tenant's proposed plans and specifications relating to the tie-in to the Unit Generator and all associated lines. Tenant may not commence any work to tie into the Unit Generator until it has received Landlord's prior written approval (not to be unreasonably withheld, delayed or conditioned) of such plans and specifications, Tenant, at its sole cost and expense, shall comply with all applicable Legal Requirements and Title Matters and Landlord's reasonable directives relating to the installation, operation, maintenance and repair of such tie-in, including (i) obtaining and maintaining (or causing to be obtained and maintained) and complying with the provisions of all applicable permits relating to the tie into and use of the Unit Generator. Tenant may not use the Unit Generator for any purpose other than solely in connection with Tenant's occupancy of the Premises for the Permitted Use and in accordance with any applicable permit(s) pertaining to the Unit Generator. Except for permitted subtenants and assignees. Tenant may not use the Unit Generator to serve other occupant(s) of the Development.

9.12. Rooftop Rights.

(a) Tenant shall be permitted, in locations on the roof of the Building as approved by Landlord in writing in advance, to install, operate, maintain, repair and remove, or Landlord may install on behalf of Tenant, all at Tenant's sole cost and expense and for use solely by Tenant in connection with its business operations conducted in the Premises and not for use by non-occupant third parties, (i) telecommunications and data processing equipment (including but not limited to satellite dishes, generators, cell boosters and antennae), and related wiring from the roof to the interior portions of the Premises to the extent reasonably necessary (collectively, the "**Rooftop Communications Equipment**"), and (ii) such supplementary HVAC and other equipment (including exhaust fans, supplemental fans, and the like, but specifically excluding rooftop units, air handling units, and the like) serving solely the Premises, consistent with Tenant's use of the Premises (collectively, with the Rooftop Communications Equipment, the "**Rooftop Equipment**"), provided the same complies with all Legal Requirements, all Title Matters and the provisions of the Condominium Documents. The Rooftop Equipment shall be screened from exterior view in a manner reasonably acceptable to Landlord and as may be required by the Town of Watertown. Tenant shall be responsible for all costs and expenses associated with or relating to the Rooftop Equipment, including installation, operation, maintenance, use, removal and insuring of the Rooftop Equipment (same being deemed Tenant's personal property for purposes of this Lease), and shall reimburse Landlord any reasonable, actual out-of-pocket costs incurred by Landlord in connection therewith, including, but not limited to any costs for electric power and HVAC (if any) that Tenant uses in the Building for the Rooftop Equipment, as separately metered. Landlord shall have the right to permit other tenants of the Building to lease space on the roof of the Building for such other party's own rooftop antennae, satellite dishes and other telecommunications equipment to be used in the conduct of such tenant's business operations in the Building and not elsewhere, provided that (i) Tenant shall continue to have full access to the Rooftop Equipment, (ii) Tenant's right to install, use, improve, add to and replace Rooftop Equipment shall be non-exclusive and shall be shared on a pro rata basis with any such rights granted to other tenant(s) in the Buildings, (iii) Landlord shall not install, and shall prohibit the installation and/or operation by any other party of, any additional microwave dishes/earth satellite disks, antennae, towers and/or other structures on the Roof which would, in Tenant's reasonable judgment, interfere with Tenant's use of the Rooftop Equipment which is then in place.

(b) Prior to installing any Rooftop Equipment, Tenant shall submit to Landlord for its approval plans and specifications that (i) specify in detail the design, location, size (and, with respect to Rooftop Communications Equipment, the frequency) of the Rooftop Equipment and (ii) are sufficiently detailed to allow for the installation of the Rooftop Equipment in a good and workmanlike manner and in accordance with all Legal Requirements. Following Landlord's approval of such plans, Tenant shall obtain all permits required for the installation and operation, thereof, and copies of all such permits must be submitted to Landlord before Tenant begins to install the Rooftop Equipment. Tenant shall be permitted to select a contractor of its choice to undertake the installation of the Rooftop Equipment, subject to Landlord's approval not to be unreasonably withheld, delayed or conditioned. Tenant shall install all Rooftop Equipment in a good and workmanlike manner, and shall maintain and use the Rooftop Equipment in accordance with all applicable Legal Requirements and Title Matters. Tenant shall also have the right to install reasonably necessary conduit and sleeving from the roof to the points of connection within the Premises. Tenant shall be responsible for all costs of installation (including structural reinforcing or modifications required to be made to the roof in order to support Tenant's Rooftop Equipment), repair, maintenance and removal with respect to the Rooftop Equipment. Tenant shall thereafter maintain all permits necessary for the maintenance and operation of the Rooftop Equipment while it is on the Building. Tenant shall maintain the Rooftop Equipment in good repair and condition and in such a manner so as not to interfere in any material respect with any other satellite, antennae or other transmission facility on the roof or elsewhere in the Building which was installed and operating prior to Tenant's installation of the Rooftop Equipment which is claimed to be causing such interference. Tenant shall repair any damage to the Building caused by or relating to the Rooftop Equipment, including that which is caused by its installation, maintenance, use or removal, and Tenant shall reimburse Landlord for any out-of-pocket costs and expenses incurred by Landlord for any actual damage to the Building, including any damage resulting from penetrations of the Roof with respect to such installation, maintenance or use.

(c) Unless otherwise expressly agreed by Landlord in writing as part of its approval of the installation of such Rooftop Equipment, Tenant shall, at its expense, remove the Rooftop Equipment prior to the expiration of the Term (or within thirty (30) days after the earlier termination of the Term). If Tenant fails to do so, Landlord may remove the Rooftop Equipment and store or dispose of it in any manner Landlord deems appropriate without liability to Tenant; Tenant shall reimburse Landlord for all actual out-of-pocket costs and expenses incurred by Landlord in connection therewith within thirty (30) days after Landlord's request therefor.

(d) All work relating to the Rooftop Equipment shall, at Landlord's request, be coordinated with Landlord's roofing contractor so as not to void any warranty for the Roof.

ARTICLE 10: CONDITION AND MAINTENANCE OF PREMISES

10.01. Existing Conditions. Tenant acknowledges that except for any express representations contained in this Lease, neither Landlord nor any person acting under or on behalf of Landlord has made any representation as to the condition of the Premises, the Unit, the Building or the Development, or the suitability of the Premises, the Unit, the Building or the Development for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection and inquiry regarding the Premises, the Unit, the Building and the Development, and is not relying on any representations of Landlord or any broker or persons acting on behalf of Landlord other than as set forth in this Lease.

10.02. No Landlord Liability. Landlord shall not be liable for any damage or injury to the persons, property or business (including loss of revenue, profits or data) of Tenant or any Tenant Party, *provided, however*, that this Section 10.02 shall not exempt Landlord from liability for Landlord's negligence or willful misconduct, or the negligence or willful misconduct of its agents, employees, contractors, and/or invitees, or Landlord's breach of its obligations herein. This exemption shall apply whether such damage or injury is caused by (among other things): (i) fire, steam, electricity, water, gas, air, sewage, sewer gas or odors, snow, ice, frost or rain; (ii) the breakage, leakage, obstruction or other defects of pipes, faucets, sprinklers, wires, appliances, plumbing, windows, air conditioning or lighting fixtures or any other cause; (iii) explosion, electrical or electromagnetic emissions; (iv) any casualty or Taking; (v) theft; (vi) conditions in or about the Unit or the Building; or (vii) any act or omission of any other tenant. Tenant hereby agrees that, to the maximum extent permitted by law, all merchandise, furniture, fixtures and property of every kind, nature and description of Tenant or any Tenant Party which may be in or upon the Premises, the Unit, the Building or the Development, shall be at the sole risk and hazard of Tenant, and that if the whole or any part thereof shall be damaged, destroyed, stolen or removed from any cause or reason whatsoever, no part of said damage or loss shall be charged to, or borne by, Landlord, except to the extent caused by Landlord's negligence or willful misconduct or the negligence or willful misconduct of its agents, employees, contractors, and/or invitees, or Landlord's breach of its obligations herein.

10.03. Landlord's Repair and Maintenance Obligations. Subject to the provisions of Section 16.09, and except for damage caused by fire, other casualty or taking (which is dealt with below), and damage caused by the act or omission of Tenant or any Tenant Party, Landlord shall maintain, or cause to be maintained, the foundations of the Building, the exterior walls and windows and roof (including roof membrane) of the Unit, the Unit Generator, the Building Systems (including the HVAC, plumbing, electrical, mechanical and other systems serving the Premises in common with other portions of the Unit), to the extent not serving the Premises or another tenant's premises exclusively, the common areas and facilities of the Building, and any other items constituting Limited Common Elements of the Unit pursuant to the Condominium Documents (excluding those items that Tenant is responsible for under Article 11) in good order, condition and repair; provided that Tenant shall give Landlord written

notice of the necessity for such repairs; and, provided further, that the damage thereto shall not have been caused by negligence of Tenant (or any subtenant), its concessionaires, agents, employees, invitees, licensees or contractors, in which event Tenant shall be responsible therefor and shall promptly make all such repairs. Landlord shall make any repairs or replacements to the Premises, the Unit (including the Unit Generator) or the Building, to the extent such repair or replacement was necessitated by Landlord's negligence or willful misconduct or the negligence or willful misconduct of its agents, employees, contractors, and/or invitees or Landlord's breach of its obligations herein, at its sole cost and expense and not to be reimbursed as an Operating Expense. In addition, Landlord shall enforce the applicable provisions of the Condominium Documents with respect to the maintenance, repair or replacement of the General Common Elements and all other buildings in the Development. Except to the extent caused by Landlord's negligence or willful misconduct or the negligence or willful misconduct of its agents, employees, contractors, and/or invitees, or Landlord's breach of its obligations herein, Landlord shall not be obligated to maintain, repair or replace any interior windows, doors, plate glass, or the surfaces of walls within the Premises, or any fixtures, components or equipment located either within the Premises or elsewhere which serve the Premises exclusively, all of which shall be Tenant's obligation. Tenant waives the benefit of any present or future law that provides Tenant the right to repair the Premises, the Unit or the Building at Landlord's expense or to abate or reduce the Rent or to terminate this Lease because of the condition of the Premises, the Unit or the Building, to the extent such benefit of law may be waived by Tenant. Except to the extent caused by the negligence or willful misconduct of Landlord, Tenant shall not be entitled to any abatement of Rent, nor shall Landlord incur any liability, by reason of inconvenience, annoyance or injury to Tenant arising from any repairs, alterations, additions, replacements or improvements made by Landlord, or any related work undertaken by Landlord in accordance with the provisions of this Lease provided Landlord complies with the terms of Section 9.06 regarding access to the Premises. Notwithstanding the fact that Landlord may provide security services at the Unit or the Building at any time during the term of this Lease, (i) Tenant hereby releases Landlord from any claim for injury to persons or damage to property asserted by Tenant or any Tenant Party that is suffered or occurs in or about the Premises or in or about the Unit, the Building or the Development by reason of the act of any intruder or any other person, and (ii) Landlord shall not be deemed to owe Tenant or any other person any duty or standard of care as a result of Landlord's provision of such security services. All costs and expenses incurred by Landlord in connection with the performance of any obligation set forth in this Section 10.03 shall be included in Operating Expenses except to the extent otherwise expressly provided above in this Section.

10.04. Tenant's Obligations.

10.04(a) Repair and Maintenance. Except for work that Section 10.03 requires Landlord to do and subject to Section 16.09, Tenant, at its sole cost and expense: shall keep the Premises (including all Initial Tenant Work, other Tenant Work, Tenant Property, and all fixtures, systems and equipment now or hereafter on the Premises or elsewhere that exclusively serve the Premises regardless of whether or not the same are part of a Building System), together with any Limited Common Elements (or portions thereof) with respect to which Tenant has exclusive rights, and any interior windows, doors, interior plate glass, and the inner surfaces of walls within the Premises, in at least as good order, condition and repair as they are in on the Delivery Date or may be thereafter put in during the Term, reasonable wear and tear, damage caused by fire, other casualty or taking (which is dealt with below) and damage caused by the negligence or willful misconduct of Landlord, Landlord's agents, employees, or contractors excepted; shall keep in a secure and sanitary condition all trash and rubbish temporarily stored at the Premises; and shall make all repairs and replacements and do all other work necessary for the foregoing purposes, whether the same may be ordinary or extraordinary, foreseen or unforeseen. Without limitation, Tenant shall be responsible for the maintenance, repair and replacement of all plumbing, heating, ventilating and air-conditioning systems and other mechanical systems (whether or not part of the Building Systems) wherever located that exclusively serve the Premises (provided that Tenant is given the requisite access if

such equipment is located outside of the Premises or Common Areas), and Tenant shall secure, pay for, and keep in force contracts with appropriate and reputable service companies approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) providing for the regular maintenance of such systems to the extent that such systems exclusively serve the Premises. All repairs and replacements required to be made by Tenant hereunder shall be equal in quality and class to the original work. No storage shall be permitted outside of the Premises except as otherwise expressly provided in this Lease. Storage inside the Premises shall be provided in a manner not visible from outside the Premises.

10.04(b) Landlord's Right to Cure. If Tenant does not perform any of its obligations under Section 10.04(a), Landlord upon ten (10) days' prior notice to Tenant (or in the case of an emergency, with notice provided as soon as reasonably practicable) may perform such maintenance, repair or replacement on Tenant's behalf, and Tenant shall reimburse Landlord, as Additional Rent, for all costs reasonably incurred, together with an Administrative Charge (as defined in Section 13.02(e)), immediately upon demand.

10.05. Tenant Work.

10.05(a) General. "**Tenant Work**" shall mean all work, demolition, installations, improvements, additions and alterations made by or on behalf of Tenant in or to the Premises or, when expressly permitted by Landlord in advance, on or to any other portion of the Unit or the Building. Without limitation, Tenant Work includes any penetrations in the walls, partitions, ceilings or floors and all attached carpeting, all signs visible from the exterior of the Premises, and all changes in the exterior appearance of the windows of the Premises (including shades, curtains and the like). All Tenant Work shall be subject to Landlord's prior written approval (which approval shall not be unreasonably withheld, conditioned, or delayed) and shall be arranged and paid for by Tenant, all as provided herein; *provided that* any interior non-structural Tenant Work (including any series of related Tenant Work projects) that (a) costs less than the "**Tenant Work Threshold Amount**" (which shall be \$50,000 in each instance or series of related projects, *provided that* from and after the point at which the aggregate cost of Tenant Work proposed by Tenant in any Lease Year exceeds \$150,000, all Tenant Work proposed during such Lease Year shall be deemed to exceed the Tenant Work Threshold Amount and shall require Landlord's prior written approval), (b) does not adversely affect any structural component of the Building or the Unit, or any elevators, fire-safety, telecommunications, curtain wall, electrical, heating, ventilation, plumbing or any other mechanical system of the Unit (collectively, the "**Building Systems**"), (c) does not adversely affect any penetrations in or otherwise adversely affect any walls, floors, roofs, or other structural elements of the Building or the Unit, or the curtain wall, and (d) does not include any signs visible from the exterior of the Premises or any change in the exterior appearance of the windows in the Premises (including shades, curtains and the like) shall not require Landlord's prior approval if Tenant delivers the Construction Documents (as defined in Section 10.05(b)) for such work to Landlord at least five (5) Business Days' prior to commencing such work. Without limiting Landlord's rights hereunder, Landlord shall not be deemed unreasonable for withholding its approval as to any Tenant Work which would require unusual expense to re-adapt the Premises or any portion thereof to normal office use or typical laboratory use upon the termination or expiration of this Lease. In any event, non-structural cosmetic work such as painting, carpeting and wall coverings ("**Cosmetic Work**") shall not require Landlord's consent or be included in the calculation of the Tenant Work Threshold, and no prior notice to Landlord of such work is required. Whether or not Landlord's approval is required, Tenant shall neither propose nor effect any Tenant Work that in Landlord's reasonable judgment (i) adversely affects any structural component of the Building or the Unit, (ii) materially affects any Building System, (iii) affects the exterior or the exterior appearance of the Unit or the Building or common areas within or around the Building, (iv) includes the installation of equipment that will have an unreasonable acoustic impact on other tenants of the Building or the Unit when compared to similar equipment in first-class office and

laboratory buildings, (v) diminishes the value of the Premises, the Unit or the Building, or (vi) requires any unusual expense to readapt the Premises for use by a future occupant for the Permitted Uses. Any disputes regarding the scope and estimated cost of the work necessary to readapt the Premises for the Permitted Uses shall be resolved pursuant to Section 16.17. Prior to commencing any Tenant Work affecting air disbursement from ventilation systems serving the Premises, including the installation of Tenant's exhaust systems, Tenant shall provide Landlord with a third-party report from a consultant, and in a form, reasonably acceptable to Landlord, showing that such work will not adversely affect the ventilation systems of the Unit (or of any other tenant in the Unit) and shall, upon completion of such work, provide Landlord with a certification reasonably satisfactory to Landlord from such consultant confirming that no such adverse effects have resulted from such work. Landlord shall have the right to require Tenant to provide to Landlord from time to time while Tenant's Work is being performed, periodic lien waivers in statutory form from Tenant's Contractor and such subcontractors and suppliers as Landlord may designate from time to time.

10.05(b) Construction Documents. No Tenant Work, other than Cosmetic Work, shall be effected except in accordance with complete, coordinated construction drawings and specifications ("**Construction Documents**") prepared in accordance with Exhibit I attached hereto. Before commencing any Tenant Work requiring Landlord's approval hereunder, Tenant shall obtain Landlord's prior written approval of the Construction Documents for such work, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall be given a reasonable opportunity to consult with Tenant and review plans for any work under this Lease requiring Landlord's consent as they are being prepared. The Construction Documents shall be prepared by an architect ("**Tenant's Architect**") registered in the Commonwealth of Massachusetts and experienced in the construction of tenant space improvements in comparable buildings in the area where the Premises are located and, if the value of such Tenant Work will equal or exceed the Tenant Work Threshold Amount or will affect any Building System, the identity of Tenant's Architect (and also engineers if such work will affect any Building System) shall be approved by Landlord in advance, such approval not to be unreasonably withheld, conditioned or delayed. Tenant shall be solely responsible for the liabilities associated with and expenses of all architectural and engineering services relating to Tenant Work and for the adequacy, accuracy, and completeness of the Construction Documents even if approved by Landlord (and even if Tenant's Architect has been otherwise engaged by Landlord in connection with the Base Building Work or the Initial Tenant Work). Construction Documents shall comply with all Legal Requirements and Title Matters applicable to the Development or the Premises, or Tenant's use thereof, as well as with the provisions of the Condominium Documents. Construction Documents shall set forth in detail the requirements for construction of the Tenant Work and shall show all work necessary to complete the Tenant Work, including all cutting, fitting, and patching and all connections to the mechanical, electrical, and plumbing systems and components of the Unit or the Building. Submission of the Construction Documents to Landlord for approval shall be deemed a warranty by Tenant that all Tenant Work described in the Construction Documents (i) complies with all applicable Legal Requirements, Title Matters and the Condominium Documents, (ii) does not adversely affect any structural component of the Unit or the Building, (iii) is compatible with and does not adversely affect the Building Systems, (iv) does not affect any property other than the Premises, (v) conforms to floor loading limits specified by Landlord, and (vi) with respect to all materials, equipment and special designs, processes or products, does not infringe on any patent or other proprietary rights of others. The Construction Documents shall comply with Landlord's requirements for the uniform exterior appearance of the Unit, including the use of Landlord's standard window blinds and standard light fixtures. Landlord's approval of Construction Documents shall signify only Landlord's consent to the Tenant Work shown and shall not result in any responsibility of Landlord concerning compliance of the Tenant Work with any Legal Requirements or Title Matters, or coordination or compatibility with any component or system of the Unit or the Building, or the feasibility of constructing the Tenant Work without damage or harm to the Unit or the Building, all of which shall be the sole responsibility of Tenant.

If, as a result of any Tenant Work performed or proposed to be performed by Tenant, Landlord is or will be obligated to comply with any Legal Requirement (including the Americans With Disabilities Act) which was not previously applicable to the Premises or the Unit (or which was previously applicable in a different manner or to a different extent), and such compliance requires Landlord to make any improvement or alteration to any portion of the Unit or the Building, then (i) when Landlord makes such determination prior to the performance of such Tenant Work, as a condition to Landlord's consent, Landlord shall have the right to require Tenant to pay to Landlord prior to the performance of such Tenant Work, the entire cost of any improvement or alteration Landlord is obligated to complete by such Legal Requirement, or (ii) when Landlord makes such determination after such Tenant Work has commenced (regardless of whether or not the same has been completed), Tenant shall pay to Landlord, as Additional Rent, within ten (10) days of demand therefor by Landlord, the entire cost of any improvement or alteration Landlord is obligated to complete by reason of such Legal Requirement.

10.05(c) Performance. The identity of any person or entity (including any employee or agent of Tenant) performing any Tenant Work ("**Tenant Contractor**") requiring Landlord's approval hereunder shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Once any Tenant Contractor has been approved, the same Tenant Contractor may thereafter be used by Tenant for the same type of work until Landlord notifies Tenant that such Tenant Contractor is no longer approved. Tenant shall procure at Tenant's expense all necessary permits and licenses (and shall provide copies thereof to Landlord) before undertaking any Tenant Work, but shall not take any plans for Tenant Work to any governmental authority for review or approval without Landlord's prior written authorization in each instance (which prior authorization shall not be unreasonably withheld, conditioned or delayed). Tenant shall perform (or shall cause Tenant's Contractor to perform) all Tenant Work at Tenant's risk, in compliance with the Rules and Regulations, all applicable Legal Requirements and Insurance Requirements, and the provisions of the Condominium Documents, and in a good and workmanlike manner, employing new materials of good quality and producing a result at least equal in quality to the other parts of the Premises. When any Tenant Work is in progress, Tenant shall cause to be maintained insurance as described in the Tenant Work Insurance Schedule attached hereto as Exhibit J and such other insurance as may be reasonably required by Landlord covering any additional hazards due to such Tenant Work. If the cost of any Tenant Work exceeds the Tenant Work Threshold Amount, Tenant shall provide to Landlord such bonds or other assurances of satisfactory completion and payment as Landlord may reasonably require, in each case for the benefit of Landlord. If the Tenant Work in any instance requires Landlord's approval hereunder, Tenant shall reimburse Landlord within thirty (30) days of demand, as Additional Rent, for its reasonable third-party out-of-pocket costs of reviewing the proposed Tenant Work and inspecting the performance of such work (as well as all costs imposed upon Landlord by any mortgagee which reviews and/or inspects the same). During the performance of any Tenant Work, representatives of Tenant and Landlord shall meet periodically (not less frequently than monthly) to review and discuss the progress of the work and the schedule for the performance of the remaining work.

In addition to and without limiting any of the foregoing, any and all Tenant Work shall be subject to, and performed in accordance with the LEED Requirements set forth on Exhibit K attached hereto and incorporated herein by reference.

Tenant shall cause each Tenant Contractor (i) to comply with, and to do nothing to impair, any guaranties or warranties applicable to any portion or component of the Unit or the Building, and (ii) to use commercially reasonable efforts to avoid delaying or otherwise interfering with the work of any contractor of Landlord or of any other tenant. Each Tenant Contractor working on the roof of the Unit shall coordinate with Landlord's roofing contractor, shall comply with its requirements and shall not violate existing roof warranties. Tenant shall indemnify and hold the Indemnitees harmless from any

claim, loss or expense based upon injury to persons or damage to property to the extent arising from the act or omission of Tenant's Contractor or any subcontractor or supplier of any tier, while on or about the Premises, the Unit, the Building or elsewhere in the Development, except to the extent caused by the negligence or willful misconduct of Landlord or Landlord's agents, employees, contractors, and/or invitees.

10.05(d) Payment. Tenant shall pay the entire cost of all Tenant Work so that the Premises (including Tenant's leasehold) and all other portions of the Development shall always be free of liens for labor or materials; *provided, however*, that in the event that there is a dispute over whether payment is due and payable, Tenant may withhold payment so long as it files and records a bond sufficient to discharge any potential lien arising from the dispute or other security acceptable to Landlord and its mortgagees in their reasonable discretion within ten (10) Business Days after Tenant has notice from any source of such dispute. If any such lien is filed that is claimed to be attributable to Tenant or persons acting under Tenant, then Tenant shall promptly (and always within ten (10) Business Days) discharge the same by payment or filing any necessary bond. In the event that Tenant fails to discharge such lien within the time period set forth above, Landlord shall have the right, but not the obligation, to bond over or otherwise discharge such lien as further set forth in Section 13.02 of this Lease; *provided, however*, that no notice or cure period shall apply. In such case Tenant shall pay Landlord's reasonable costs of discharging such lien within ten (10) Business Days of demand as Additional Rent.

10.05(e) Other. Tenant must schedule and coordinate all aspects of work with the property manager or other person or persons designated from time to time by Landlord, and shall make prior arrangements for elevator or temporary hoist use. Landlord shall provide Tenant and all other tenants requiring the use of freight elevators and temporary hoists with joint access and the parties shall use reasonable efforts to coordinate such joint access to avoid conflicts. If an operating engineer is required by any union regulations, Tenant shall pay for such engineer. If shutdown of risers and mains for electrical, mechanical or plumbing work is required, such work shall be supervised by Landlord's representative at Tenant's cost. If special security arrangements must be made (e.g., in connection with work outside Normal Business Hours), Tenant shall pay the actual cost of such security. Except as otherwise set forth in this Lease, no work shall be performed in Unit or Building mechanical or electrical equipment rooms without Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and all such work shall be performed under Landlord's supervision. Except in case of emergency, at least five (5) days' prior notice must be given to the property manager prior to the proposed shutdown of fire, sprinkler or other alarm systems, and in case of emergency, prompt notice shall be given. In the event that such work unintentionally alerts the Fire or Police Department or any private alarm monitoring company through an alarm signal, Tenant shall be liable for any fees or charges levied by the Fire or Police Department or any private alarm monitoring company in connection with such alarm except to the extent such alert was caused by Landlord or Landlord's agents, employees, invitees or contractors. All demolition, installations, removals or other work that is reasonably likely to inconvenience other tenants of the Unit or the Building or disturb their normal business operations must be scheduled with the Building manager at least five (5) days in advance.

Any requirements of any Tenant Contractor for services from Landlord or Landlord's Contractor, such as hoisting, electrical or mechanical needs, shall be paid for within thirty (30) days of billing after such costs are incurred, and arranged between such Tenant Contractor and Landlord or Landlord's contractor. Tenant shall cause each Tenant Contractor performing work on the Premises to clean up regularly and remove its debris from the Premises, the Building and the Land. If any Tenant Contractor fails so to clean up, then Landlord may, after giving Tenant at least twenty-four (24) hours' prior written notice, cause its contractor to clean up and remove debris, and Tenant shall pay the reasonable out-of-pocket costs of such cleanup and removal upon demand.

Each contract with a Tenant Contractor shall require such Tenant Contractor to take all reasonable steps to assure that any work is carried out without disruption from labor disputes arising from whatever cause, including disputes concerning union jurisdiction and the affiliation of workers employed by said Tenant Contractor or its subcontractors. Tenant shall be responsible for, and shall reimburse Landlord, as Additional Rent, for, all actual costs and expenses, including reasonable attorneys' fees and costs incurred by Landlord in connection with the breach by any Tenant Contractor of such obligations. If Tenant does not promptly resolve any labor dispute caused by or relating to any Tenant Contractor, Landlord may in its sole discretion request that Tenant remove such Tenant Contractor from the Premises, and if such Tenant Contractor is not promptly removed, Landlord may prohibit such Tenant Contractor from entering the Development.

Upon completion of any Tenant Work and as a condition of such completion, Tenant shall give to Landlord (i) a permanent certificate of occupancy (if one is legally required), and any other final governmental approvals required for such work, (ii) copies of "as built" plans (other than for Cosmetic Work) in modifiable AutoCAD format and all construction contracts, and (iii) proof of payment for all labor and materials in the form of a final statutory lien waiver from Tenant's Contractor or such other reasonable evidence as Landlord may require.

10.05(f) **Removal at Conclusion of Term.** Except as set forth in the last sentence of this paragraph below, any Tenant Work that is permanently affixed to the Premises or affixed in a manner so that it cannot be removed without causing other than incidental and repairable damage to the Premises shall become property of the Landlord at the termination of occupancy as provided herein. If Landlord so notifies Tenant in writing at the time Landlord approves plans for any Tenant Work (or, if Landlord's consent to the plans is not required, at the time Landlord receives notice of such work), Tenant shall remove such or all Tenant Work as so specified prior to the conclusion of the Term. Tenant Work that may be removed with only incidental and/or repairable damage, may be removed by Tenant in any case provided such disturbance or damage is restored and repaired so that the Premises are left in a clean and fully functional condition at least as good as they were in at the commencement of the Term or as they may be put in thereafter, reasonable wear and tear, damage caused by fire, other casualty or taking, and damage caused by the negligence or willful misconduct of Landlord, Landlord's agents, employees, or contractors excepted.

10.05(g) **Initial Tenant Work.** The provisions of this Section 10.05 shall not apply to Initial Tenant Work except to the extent otherwise expressly provided in the Work Letter.

10.06. Condition Upon Termination. At the expiration or earlier termination of the Term, Tenant (and all persons claiming by, through or under Tenant) shall without the necessity of notice deliver the Premises (including all Initial Tenant Work, none of which shall be removed by Tenant, and all other Tenant Work to the extent provided in Section 10.05(f) of this Lease) broom-clean, in compliance with the requirements of Section 10.07 and in good order, repair and condition, excepting only damage caused by fire, other casualty, or taking, reasonable wear and tear, and damage caused by the negligence or willful misconduct of Landlord, Landlord's agents, employees, or contractors. The Premises shall be surrendered to Landlord free and clear of any mechanic's liens (or any similar lien related to labor or materials) or other lien or encumbrance (excluding liens or encumbrances existing as of the date hereof and liens or encumbrances granted by Landlord or related to work performed by or for Landlord) against any part of the Premises, equipment and/or any Initial Tenant Work or any other Tenant Work to be surrendered with the Premises. As part of such delivery, Tenant shall also provide all keys (or lock combinations, codes, access cards or electronic passes) to the Premises to Landlord; remove all signs wherever located; and, except as set forth in Section 10.05(f), remove all Tenant's Property and other personal property whether or not bolted or otherwise attached. As used herein, "**Tenant's Property**" shall mean all trade fixtures, furnishings, equipment, inventory, cabling of any type, and other personal

property owned by Tenant or any person acting under Tenant at the Premises. Tenant shall repair all damage that results from such removal and restore the Premises substantially to a fully functional and tenantable condition (including the filling of all floor and wall holes, the removal of all disconnected wiring back to junction boxes and the replacement of all damaged ceiling tiles). Any property not so removed shall be deemed abandoned, shall at once become the property of Landlord, and may be disposed of in such manner as Landlord shall see fit; and Tenant shall pay the reasonable cost of removal and disposal to Landlord upon demand. The provisions of this Section shall survive the expiration or earlier termination of the Term.

10.07. Decommissioning of the Premises. Prior to the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant shall clean and otherwise decommission all interior surfaces (including floors, walls, ceilings, and counters), piping, supply lines, waste lines, tanks, and plumbing in or serving the Premises, and all exhaust or other ductwork in or serving the Premises, in each case that has carried, released or otherwise been exposed to any Hazardous Materials, and shall otherwise clean the Premises so as to permit the report hereinafter called for by this Section 10.07 to be issued. Prior to the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant, at Tenant's expense, shall obtain and provide to Landlord a report addressed to Landlord and Landlord's designees prepared by a reputable licensed environmental engineer or certified industrial hygienist that is designated by Tenant and acceptable to Landlord in Landlord's reasonable discretion, which report shall be based on such person's inspection of the Premises (including visual inspection, airborne and surface monitoring, and, if Tenant or any Tenant Party at any time stored or used any radioactive materials in the Premises, Geiger counter evaluation), and shall show:

(i) that the Hazardous Materials brought onto the Premises by or for the use by Tenant or any Tenant Party, if any, existing prior to such decommissioning, have been removed as necessary so that the interior surfaces of the Premises (including floors, walls, ceilings, and counters), piping, supply lines, waste lines, tanks, and plumbing, and all such exhaust or other ductwork in and/or serving the Premises, may be reused by a subsequent tenant or disposed of in compliance with applicable Environmental Laws without taking any special precautions for Hazardous Materials, without incurring special costs or undertaking special procedures for demolition, disposal, investigation, assessment, cleaning or removal of Hazardous Materials, and without incurring regulatory compliance requirements or giving notice in connection with Hazardous Materials;

(ii) if Tenant or any Tenant Party at any time stored or used any radioactive materials in the Premises, that the Premises (and all piping, supply lines, waste lines, tanks, and plumbing, and all exhaust or other ductwork in and/or serving the Premises), have been decommissioned in accordance with the regulations of the U.S. Nuclear Regulatory Commission and/or the Massachusetts Department of Public Health for the control of radiation, and have accordingly been released for unrestricted use by the Radiation Control Program of the Massachusetts Department of Public Health for the control of radiation; and

(iii) that the Premises may be reoccupied for office or laboratory use, demolished or renovated without taking any special precautions for Hazardous Materials, without incurring special costs or undertaking special procedures for disposal, investigation, assessment, cleaning or removal of Hazardous Materials, and without incurring regulatory requirements or giving notice in connection with Hazardous Materials.

For purposes of the preceding clauses (i) and (iii) "special costs" or "special procedures" shall mean costs or procedures, as the case may be, that would not be incurred but for the nature of the Hazardous Materials introduced to the Premises by or for the use by Tenant or any Tenant Party, as Hazardous Materials instead of non-Hazardous Materials. The report shall include reasonable detail concerning the clean-up locations, the tests run and the analytic results.

In addition, Tenant shall provide to Landlord prior to the expiration of the Term (or within thirty (30) days after any earlier termination), a copy of its most current chemical waste removal manifest and a certification from Tenant executed by an officer of Tenant that no Hazardous Materials or other potentially dangerous or harmful chemicals brought onto the Premises by Tenant or any Tenant Party from and after the date that Tenant first took occupancy of the Premises remain in the Premises.

If Tenant fails to perform its obligations under this Section 10.07, then without limiting any other right or remedy, Landlord may, on five (5) Business Days' prior written notice to Tenant, perform such obligations at Tenant's expense, and Tenant shall within ten (10) days of demand reimburse Landlord, as Additional Rent, for all reasonable out-of-pocket costs and expenses incurred by Landlord in connection with such work, together with an Administrative Charge, as defined in Section 13.02. In addition, at Landlord's election, Landlord may inspect the Premises and the Land for Hazardous Materials at Landlord's cost and expense within sixty (60) days of Tenant's surrender of the Premises at the expiration or earlier termination of this Lease. Tenant shall pay for all such costs and expenses incurred by Landlord in connection with such inspection if such inspection reveals that a release or threat of release of Hazardous Materials exists (a) at the Premises (except to the extent resulting from the acts or omissions of Landlord or Landlord's agents, employees or contractors, or occupants of other portions of the Building), or (b) elsewhere on the Land as a result of the acts or omission of Tenant, its officers, employees, contractors, or agents.

The provisions of this Section 10.07 shall survive the expiration of the Term or the earlier termination of this Lease.

ARTICLE 11: DAMAGE OR DESTRUCTION; CONDEMNATION

11.01. Damage or Destruction of Premises. If the Premises, the Unit or the Building or any part thereof shall be damaged or destroyed by fire or other casualty (a "casualty"), or ordered to be demolished by the action of any public authority in consequence of a casualty, or taken by any exercise of the right of eminent domain, Tenant shall immediately give notice thereof to Landlord. Unless this Lease is terminated as provided herein, this Lease shall remain in full force and effect and Landlord shall proceed (or shall cause the Primary Board to proceed) with diligence to repair or cause to be repaired such damage so as to restore the Premises, or what may remain thereof (including the Initial Tenant Work but excluding any other Tenant Work), as nearly as practicable to the condition they were in immediately prior to such damage, destruction or taking, subject to then applicable Legal Requirements and Title Matters, but neither Landlord nor the Primary Board shall be required to expend in such repair or rebuilding more than the proceeds of insurance or award of damages, if any, recovered or recoverable with respect to such damage, destruction or taking (plus, in the case of casualty, the amount of any insurance deductibles (which shall be deemed Operating Costs)), less Landlord's (or the Primary Board's) reasonable expenses incurred in collecting such proceeds or award, as the case may be. Landlord shall coordinate its repair and restoration with the restoration of any other affected Primary Units in the Building. All such repairs made necessary by any negligent or willful act or omission of Tenant shall be made by Landlord (or the Primary Board) at Tenant's expense to the extent that the cost of such repairs is not covered by insurance proceeds available therefor (including the payment by Tenant of any applicable deductible amount). Landlord shall not be liable for delays in the making of any such repairs that are due to Force Majeure, nor shall Landlord be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting from delays in repairing such damage. All repairs to and replacements of Tenant Property and any Tenant Work other than the Initial Tenant Work shall be made by and at the expense of Tenant, which work Tenant shall promptly commence as soon as practicable and thereafter prosecute diligently to completion.

11.02. Right to Terminate in Event of Casualty. In case (a) the Building in which the Premises are situated is destroyed or so damaged by fire or casualty insured under any fire and extended coverage insurance policy carried by Landlord or the Primary Board as to render more than fifty percent (50%) of the Building, or fifty percent (50%) of the square footage of the Unit, untenable, or (b) the Premises or the Unit are destroyed or materially damaged during the last two (2) years of the Term, then, and in any of such cases, Landlord or Tenant (as to Tenant, in the event covered by clause (b) only) may at its election, exercisable by notice given to the other within thirty (30) days after such destruction or damage, terminate this Lease as of the date designated by Landlord or Tenant in such notice, which designated date shall not be less than fifteen (15) days nor more than thirty (30) days after the date of such notice. In case (x) the Premises, the Unit or the Building shall be destroyed or materially damaged by any casualty other than one covered by such insurance policy, or (y) if the cost to repair the same would exceed the amount of proceeds actually received by Landlord or the Primary Board from Landlord's or the Primary Board's insurance by more than \$100,000.00, then, and in any of such cases, Landlord may at its election, exercisable by notice given to Tenant within thirty (30) days after such destruction or damage, terminate this Lease as of the date designated by Landlord in such notice, which designated date shall be not less than fifteen (15) days nor more than thirty (30) days after the date of such notice.

If Landlord does not so elect to terminate this Lease and instead elects to repair or rebuild the Premises, Landlord shall specify pursuant to written notice to Tenant the time within which repairs or construction will be completed, and in the event that Landlord estimates that the Premises cannot reasonably be repaired or restored within two hundred seventy (270) days following such casualty, then Tenant shall have the option within thirty (30) days after the receipt of such notice from Landlord to elect to terminate this Lease by written notice to Landlord. If Tenant does not so elect to terminate this Lease by written notice to Landlord within said thirty (30) day period, then this Lease shall continue in full force and effect and Landlord shall restore (or cause to be restored) the Premises, or what may remain thereof (including the Initial Tenant Work but excluding any other Tenant Work), as nearly as practicable to the condition they were in immediately prior to such damage, destruction or taking, subject to then applicable Legal Requirements and Title Matters, within the time specified in Landlord's aforesaid notice and Tenant shall be entitled to an abatement of Base Rent as hereinafter set forth. If Landlord fails to substantially complete restoration of the Premises within the specified time (subject to Force Majeure or any delays caused by Tenant), then Tenant at its election may terminate this Lease and quit the Premises at any time after the time specified by Landlord for substantial completion as aforesaid but prior to Landlord's substantial completion of the restoration, upon sixty (60) days' advanced written notice to Landlord; *provided, however*, if Landlord substantially completes such restoration within said sixty (60) day period, then Tenant's election to terminate this Lease shall be null and void and this Lease shall continue in full force and effect in accordance with the terms hereof. Tenant acknowledges and agrees that if other portions of the Unit are damaged by casualty, and this Lease is not terminated in accordance with its terms, Landlord shall only be obligated to restore (or cause to be restored) such other portions of the Unit as are necessary for Tenant to use and enjoy the Premises, including the exterior façade of the Premises.

11.03. Termination in Event of Taking. If all the Premises are taken by eminent domain this Lease shall terminate when Tenant is required to vacate the Premises. If by a taking (i) the floor area of the Premises is reduced by more than fifteen percent (15%) thereof, or (ii) all access to the Premises from the adjacent public right of way is taken and reasonably comparable alternative access is not made available within sixty (60) days of such taking, then, in either such case, this Lease may at the option of either party be terminated, as of the date when Tenant is required to vacate the portion of the Premises so taken or upon the expiration of said sixty (60) day period, as the case may be, by notice given to the other

not more than thirty (30) days after the date on which the party desiring to terminate receives notice of the taking in the case of situation (i) above, or within thirty (30) days after the expiration of said sixty (60) day period in the case of situation (ii) above. If by a taking the floor area of the Unit in which the Premises are situated is reduced by more than twenty-five percent (25%), this Lease may at the option of Landlord or Tenant be terminated, as of the date when the tenants or occupants of the portion of said Unit so taken are required to vacate the same, by giving notice to the other not more than thirty (30) days after the date on which Landlord receives notice of the taking.

11.04. Landlord Reserves Award. Landlord reserves and excepts all rights to awards for damages to the Unit and the Premises and the leasehold hereby created now accrued or hereafter accruing (not including a separate award for Tenant's moving expenses, if any, or awards for the unamortized value of the non-removable Initial Tenant Work installed by Tenant less the amount of the Tenant Allowance) as long as such separate awards do not reduce, delay or hinder Landlord's award) by reason of any exercise of the right of eminent domain, or by reason of anything lawfully done in pursuance of any public or other authority; and by way of confirmation Tenant grants to Landlord all Tenant's rights to such awards (except as expressly reserved above in this Section 11.04) and covenants to execute and deliver such further instruments of assignment thereof as Landlord may from time to time request. Tenant's aforesaid leasehold improvements shall be amortized on a straight line basis over the initial term of this Lease.

11.05. Abatement of Rent. In the event of any casualty or taking of the Premises (or the Unit or Building which actually affects the Premises), a just proportion of the Base Rent payable hereunder, according to the nature and extent of the injury, shall be abated until completion of repairs or rebuilding or termination of this Lease, as the case may be; and in the case of a taking which permanently reduces the area of the Premises, or if following a casualty the restored Premises are smaller in area than the original area of the Premises, a just proportion of the Base Rent shall be abated for the remainder of the Term.

11.06. Risk of Loss. The risk of loss or damage to property of the Tenant on or about the Premises will be borne solely by the Tenant and neither the Landlord nor any other tenant will have any liability for loss thereof or damage thereto, except as otherwise expressly set forth in this Lease.

ARTICLE 12: ASSIGNMENT AND SUBLETTING

12.01. Landlord's Consent Required. Except as set forth in this Article, Tenant shall not directly or indirectly assign this Lease, or sublet or license the Premises or any portion thereof, or advertise the Premises for assignment or subletting, or permit the occupancy of all or any portion of the Premises or the use of any portion of the Initial Tenant Work by any person other than Tenant, including transfer by mortgage, pledge or other encumbrance (whether of all or any portion of Tenant's interest under this Lease, or any ownership interest (direct or indirect) in Tenant, or any portion of the Initial Tenant Work or any equipment, machinery, trade fixture or other property paid for in whole or in part by any portion of Landlord's Allowance) each of the foregoing actions are collectively referred to as a "**Transfer**"), without obtaining, on each occasion, the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, provided that Tenant complies with the provisions of this Article. An assignee, subtenant, licensee, or other occupant is referred to herein as a "**Transferee**". It shall be reasonable for Landlord to withhold consent to a proposed Transfer (other than a Related Party Transfer) if, by way of illustration and not in limitation, the proposed Transferee does not have a net worth equal to or in excess of that of Tenant at the Date of Lease, or if the use proposed to be made of the Premises (or the applicable portion thereof) by the proposed Transferee is not a Permitted Use hereunder. A "Transfer" shall include any transfer of Tenant's interest in this Lease by operation of

law, the transfer or sale of a controlling interest in Tenant (whether direct or indirect, and whether in one transaction or in a series of related transactions), any "Related Party Transfer" (as defined below), and the grant of permission or license by Tenant to any other person or entity to use or occupy any portion of the Premises for any period of time or for any purpose whatsoever. Any Transfer shall be subject to this Lease, all of the provisions of which shall be conditions to such Transfer and be binding on any Transferee. No Transferee shall have any right further to Transfer its interest in the Premises, and nothing herein shall impose any obligation on Landlord with respect to a further Transfer.

12.02. Terms. Tenant shall not offer to make a Transfer (i) to any tenant in the Building (or any Affiliate of such tenant) which is not a Related Party Transferee if, at the time of Tenant's intended Transfer, Landlord then has comparable space in the Building available for lease for a comparable term, or (ii) to any person or entity that would be of such type, character or condition as to be inappropriate as a tenant of a building comparable to the Building.

12.03. Related Party Transfers. Tenant may make a Related Party Transfer (as defined below) without the consent of Landlord provided that Tenant gives Landlord at least ten (10) days' prior written notice thereof together with evidence reasonably satisfactory to Landlord that the proposed Transfer is a Related Party Transfer. Any Related Party Transfer shall be subject to all of the other terms and conditions of this Article. A "**Related Party Transfer**" shall mean one or more of the following: (1) any assignment or sublease to (A) a parent which owns (either directly or indirectly) substantially all of the voting stock of Tenant or otherwise exercises voting control over Tenant, or (B) a subsidiary of Tenant in which Tenant owns (directly or indirectly) substantially all of the voting stock or over which Tenant otherwise exercises voting control, or (C) any subsidiary of Tenant's parent in which such parent owns (directly or indirectly) substantially all of the voting stock or over which such parent otherwise exercises voting control, or (D) any other Affiliate of Tenant, or (2) an assignment incident to the sale of all or substantially all of Tenant's assets, or (3) a statutory merger or consolidation of Tenant with any other entity, or (4) a sale of interests in Tenant on a recognized national exchange; provided that in any of the situations described in the preceding clauses (1)-(3), (a) the person or entity succeeding to Tenant's interest immediately thereafter (the "**Related Party Transferee**") has a net worth equal to or in excess of that of Tenant at the Date of Lease, and (b) such Related Party Transferee agrees in writing, for the benefit of Landlord, to assume all of Tenant's obligations under this Lease. Related Party Transfers shall not be subject to the provisions of (i) the first sentence of Section 12.04 or (ii) Section 12.05.

12.04. Procedures. At least thirty (30) days prior to the effective date of any Transfer, Tenant shall give Landlord in writing the details of the proposed Transfer, including: (i) the name, business, and financial condition (including the most recent annual and quarterly financial statements, in form and content reasonably acceptable to Landlord) of the prospective Transferee, (ii) a true and complete copy of the proposed instrument containing all of the terms and conditions of such Transfer, (iii) a written agreement of the prospective Transferee, in form and content reasonably acceptable to Landlord, agreeing with Landlord to perform and observe all of the terms, covenants, and conditions of this Lease undertaken by such Transferee, and (iv) any other information Landlord reasonably requires. Tenant shall pay to Landlord, as Additional Rent, Landlord's reasonable attorneys' fees in reviewing any Transfer; provided that such amount shall not exceed two thousand five hundred dollars (\$2,500). Tenant shall provide Landlord with a true and correct copy of the instrument effecting the Transfer on or before the date that it takes effect, except that with respect to a Related Party Transfer, Tenant shall, within fifteen (15) days after the Related Party Transfer, deliver to Landlord evidence of merger or such other evidence as is reasonably satisfactory to Landlord that such Related Party Transfer has occurred.

12.05. Excess Rents. If the consideration, rent, or other amounts payable to Tenant under any sublease, license, or other occupancy arrangement (collectively, a "**Sublease**") or any assignment exceed the sum of (1) Rent and other charges to be paid hereunder (which amounts, in the case of a Sublease,

shall be pro-rated based on the floor area intended to be subject to such Sublease), and (2) Tenant's Expenses (which shall be (a) in the case of an assignment, amortized over the remaining Term of the Lease, and (b) in the case of a Sublease, (i) pro-rated based on the floor area intended to be subject to such Sublease, and (ii) amortized over the fixed term of the Sublease in question), then Tenant shall pay to Landlord, as Additional Rent, one-half (1/2) of the amount of such excess when and as received by Tenant, "Tenant's Expenses" shall mean, collectively, (i) the necessary and reasonable expenses incurred by Tenant in good faith to third parties in connection with such an assignment or Sublease (as the case may be) on account of brokerage, legal, design, and demising and leasehold improvement costs in the portion of the Premises affected by, and specifically in connection with, such assignment or Sublease, and (iii) the unamortized out of pocket cost to Tenant of previously constructing Tenant Work in the Premises (or, in the case of a Sublease, in the portion of the Premises to be subject to such Sublease) and in either case with respect to the Initial Tenant Work, only the portion of the cost thereof paid out of pocket by Tenant, and not the portion of the cost thereof covered by Landlord's Allowance pursuant to the Work Letter, shall be included as an "out of pocket cost to Tenant" for purposes of this calculation, with such amortization to be calculated on a straight line basis over the remaining Initial Term of the Lease as of the date such expense was incurred by Tenant, There shall be included in the calculation to be performed pursuant to the first sentence of this section any lump-sum payment or periodic payments made to Tenant for the purchase of so-called leasehold improvements, but all lump-sum or periodic payments made to Tenant on account of the leasing or mere use of Tenant's equipment by the Transferee under such Sublease or assignment shall be excluded from such calculation. The provisions of this Section 12.05 shall not apply to Related Party Transfers.

12.06. No Release. Notwithstanding any Transfer and whether or not the same is a Related Party Transfer or is consented to, the liability of Tenant to Landlord shall remain direct and primary, to the extent that Tenant still exists as a separate entity after a Related Party Transfer. Any Transferee of all or substantially all of Tenant's interest in the Premises, including any such Transferee under a Related Party Transfer, shall be jointly and severally liable with Tenant (to the extent that Tenant still exists as a separate entity after a Related Party Transfer) to Landlord for the performance of all of Tenant's covenants under this Lease; and such Transferee shall upon written request from Landlord execute and deliver such instruments as Landlord reasonably requests in confirmation thereof (and agrees that its failure to do so shall be a default). During any period when there exists an Event of Default by Tenant which is then continuing, Tenant hereby irrevocably authorizes Landlord to collect Rent and other charges from any Transferee (and upon notice from Landlord any Transferee shall pay directly to Landlord) and apply the net amount collected to the Rent and other charges reserved under this Lease. No Transfer shall be deemed a waiver of the provisions of this Section, or the acceptance of the Transferee as a tenant, or a release of Tenant from direct and primary liability for the performance of all of the covenants of this Lease. The consent by Landlord to any Transfer shall not relieve Tenant or any Transferee from the obligation of obtaining the express consent of Landlord to any modification of such Transfer or a further Transfer by Tenant or such Transferee. Notwithstanding anything to the contrary in the documents effecting the Transfer, Landlord's consent shall not alter in any manner whatsoever the terms of this Lease, to which any Transfer at all times shall be subject and subordinate. The breach by Tenant or any Transferee of any provision of this Article shall be a default for which there is no cure period.

ARTICLE 13: EVENTS OF DEFAULT AND REMEDIES

13.01. Events of Default. In the event that:

- (A) Tenant shall default in the payment of any Base Rent, Additional Rent or other sum payable under this Lease, when and as the same shall become due and payable hereunder, and such default shall continue for a period of five (5) days after Landlord gives Tenant

notice that such payment was not paid when due; *provided, however*, that after Landlord has given two (2) notices to Tenant of a default pursuant to this Section 13.01.A, then for a period of twelve (12) months from the date of such second notice Tenant shall not be entitled to any notice of a further default under this Section 13.01.A, and Tenant's failure at any time during such 12-month period to make any such payment within five (5) days after the date on which such payment is due hereunder shall constitute an Event of Default without the necessity of any notice; or

- (B) Tenant shall (i) make any Transfer in violation of this Lease; or (ii) fail to (a) maintain all insurance as required hereunder, or (b) provide Landlord with the certificates of insurance required pursuant to Article 7 above, or (c) restore or replenish the amount of the Security Deposit following a draw by Landlord upon the Security Deposit, as required by Article 14 below, or (d) provide Landlord with an estoppel certificate within the time provided in Section 15.04 below; or
- (C) Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent; or shall file any petition or answer seeking any reorganization, arrangement, composition, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek, or consent to, or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant; or shall make any general assignment for the benefit of creditors; or
- (D) any court enters an order, judgment or decree approving a petition filed against Tenant seeking any reorganization, arrangement, composition, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or for the appointment of a receiver, and such order, judgment or decree shall remain unvacated or unstayed for an aggregate of ninety (90) days; or
- (E) any representation or warranty made by Tenant herein is untrue in any material respect when made; or
- (F) Tenant shall default in the observance or performance of any of Tenant's covenants, agreements or obligations hereunder, other than those referred to in the foregoing clauses (A)-(E), and such default shall not be corrected within the cure period expressly provided in this Lease therefor (and if no cure period is expressly provided, then for thirty (30) days after notice is given, *provided, however* that such period shall be reasonably extended in the case of a non-monetary default that cannot be cured within such thirty (30) day period through the use of diligent efforts but only if the default can be cured and Tenant begins such cure within such thirty (30) day period and thereafter diligently prosecutes such cure continuously to completion);

then, and in any such case, Landlord and its agents lawfully may, in addition to any remedies for any preceding breach, immediately or at any time thereafter without demand or notice and with or without process of law, enter upon any part of the Premises in the name of the whole or mail or deliver a notice of termination of the Term of this Lease addressed to Tenant at the Premises or any other address herein, and thereby terminate the Term and repossess the Premises as of Landlord's former estate. Any default by Tenant continuing beyond applicable notice and cure periods by is referred to herein as an "**Event of Default**". Tenant waives any statutory notice to quit and equitable rights in the nature of further cure or redemption, and Tenant agrees that upon Landlord's termination of this Lease, Landlord shall be entitled

to re-entry and possession in accordance with the terms hereof. Tenant agrees that a notice by Landlord alleging any default shall, at Landlord's option (the exercise of such option shall be indicated by the inclusion of the words "notice to quit" in such notice), constitute a statutory notice to quit. If Landlord exercises its option to designate a notice of default hereunder as a statutory notice to quit, any grace periods provided for herein shall run concurrently with any statutory notice periods. Tenant further agrees that it shall not interpose any counterclaim or set-off in any summary proceeding or in any action based in whole or in part on non-payment of Rent other than mandatory counterclaims.

Upon such entry or mailing the Term shall terminate, all executory rights of Tenant and all obligations of Landlord will immediately cease, and Landlord may expel Tenant and all persons claiming under Tenant and remove their effects without any trespass and without prejudice to any remedies for arrears of Rent or prior breach; and Tenant waives all statutory and equitable rights to its leasehold (including rights in the nature of further cure or redemption, if any). If Landlord engages attorneys in connection with any failure to perform by Tenant hereunder, Tenant shall reimburse Landlord within ten (10) days of demand, as Additional Rent, for the reasonable fees of such attorneys. Without implying that other provisions do not survive, the provisions of this Article shall survive the Term or earlier termination of this Lease.

Rent forgiveness, allowances for (and/or Landlord expenses in designing and constructing) the Initial Tenant Work to ready the Premises for Tenant's occupancy and the like, if any, have been agreed to by Landlord as inducements for Tenant faithfully to perform all of its obligations hereunder for the entire Term. For all purposes, upon the occurrence of any Event of Default, any such inducements shall be deemed void as of the date hereof as though such had never been included, and the unamortized amounts (or value) thereof as of the date of such Event of Default (based on straight line amortization of such amounts (or value), with interest thereon per annum at the Default Rate, over what would otherwise have constituted the Initial Term of this Lease) will be deemed to be Additional Rent then immediately due. The foregoing will occur automatically without any further notice by Landlord, whether or not the Term is then or thereafter terminated.

Subject to the provisions of this Article 13, Tenant shall indemnify Landlord against all loss of Rent and other costs, expenses, loss and damages that Landlord may incur during what would otherwise have constituted the balance of the Term by reason of the termination of this Lease for Tenant's Event of Default hereunder. Without limiting the generality of the foregoing, Tenant shall reimburse Landlord for all expenses incurred by Landlord arising out of such termination, including all costs incurred in collecting amounts due from Tenant under this Lease (including reasonable attorneys' fees, costs of litigation and the like); all expenses incurred by Landlord in good faith in attempting to relet the Premises or parts thereof (including advertisements, brokerage commissions, costs of preparing space, and the like); and all other expenditures by Landlord arising out of or resulting from the termination. The reimbursement from Tenant shall be due and payable immediately from time to time upon notice from Landlord that an expense has been incurred, without regard to whether the expense was incurred before or after the termination of this Lease.

13.02. Remedies for Default.

13.02(a) Reletting Expenses Damages. If this Lease is terminated for Tenant's Event of Default, Tenant covenants, as an additional cumulative obligation after such termination, to pay on demand by Landlord all of Landlord's reasonable costs, including reasonable attorneys' fees and costs, related to Tenant's default and in collecting amounts due, and all reasonable expenses in connection with reletting, including tenant inducements to new tenants, brokerage commissions, fees for legal services, expenses of preparing the Premises for reletting and the like, together with an Administrative Charge as set forth in Section 13.02(e) ("**Reletting Expenses**"). It is agreed that Landlord may (i) relet the Premises or part or

parts thereof for a term or terms that may be equal to, less than or exceed the period that would otherwise have constituted the balance of the Term, and may grant such tenant inducements, including free rent, as Landlord in its sole discretion considers advisable, and (ii) make such alterations to the Premises as Landlord in its sole discretion considers advisable, and no failure to relet or to collect rent under any reletting shall operate to reduce Tenant's liability. Except to the extent imposed by applicable law, Landlord shall have no obligation to relet the Premises or any portion thereof, and any obligation to relet imposed by law will be subject to Landlord's reasonable objectives of developing its property in a harmonious manner with appropriate mixes of tenants, uses, floor areas, terms and the like,

13.02(b) Termination Damages. If this Lease is terminated for Tenant's Event of Default, then unless and until Landlord elects lump sum liquidated damages described in the next paragraph, Tenant covenants, as an additional, cumulative obligation after any such termination, to pay punctually to Landlord all the sums and perform all of its obligations hereunder at the same time and in the same manner as if this Lease had not been terminated. In calculating such amounts, Tenant will be credited with the net proceeds of any rent then actually received by Landlord from a re-letting of the Premises after deducting all Rent and Reletting Expenses that have not then been paid by Tenant, provided that Tenant shall never be entitled to receive any portion of the re-letting proceeds, even if the same exceed the Rent originally due hereunder.

13.02(c) Lump Sum Liquidated Damages. If this Lease is terminated for Tenant's Event of Default, Tenant covenants, as an additional, cumulative obligation after any such termination, to pay forthwith to Landlord at Landlord's election made by written notice at any time after termination, as liquidated damages, a single lump sum payment equal to the sum of (i) all sums then due and owing from Tenant to Landlord at the time of such election, plus (ii) either, as Landlord elects, (A) the excess of the present value of all of the Rent reserved for the residue of the Term (with Additional Rent deemed to increase five (5%) percent in each year on a non-compounding basis) over the present value of the aggregate Fair Market Rent and Additional Rent payable on account of the Premises during such period, which Fair Market Rent shall be reduced by reasonable projections of vacancies and by Landlord's Reletting Expenses described above to the extent not theretofore paid to Landlord, or (B) an amount equal to the sum of all of the Rent and other sums due under the Lease with respect to the 12-month period next following the date of termination. The Federal Reserve discount rate (or equivalent) shall be used in calculating such present values under clause (ii)(A).

13.02(d) Remedies Cumulative; Late Performance. The remedies to which Landlord may resort under this Lease, and all other rights and remedies of Landlord, are cumulative, and any two or more may be exercised at the same time. Nothing in this Lease shall limit the right of Landlord to prove and obtain in proceedings for bankruptcy or insolvency an amount equal to the maximum allowed by any statute or rule of law in effect at the time; and Tenant agrees that the fair value for occupancy of all or any part of the Premises at all times shall never be less than the Base Rent and all Additional Rent payable from time to time. Tenant shall also indemnify and hold Landlord harmless in the manner provided elsewhere herein if Landlord shall become or be made a party to any claim or action (a) instituted by Tenant against any third party, or by any third party against Tenant, or by or against any person claiming by, through or under Tenant; (b) for foreclosure of any lien for labor or material furnished to or for Tenant or such other person; (c) otherwise arising out of or resulting from any act or transaction of Tenant or such other person; or (d) necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding, or other proceeding under Title 11 of the United States Code, as amended.

13.02(e) Landlord's Curing. If Tenant fails to perform any covenant within the applicable cure period (if any), then Landlord at its option may (without waiving any right or remedy for Tenant's non-performance) at any time thereafter perform the covenant for the account of Tenant. Tenant shall upon demand reimburse, as Additional Rent, Landlord's cost (including reasonable attorneys' fees) of so

performing, together with an administrative charge equal to ten percent (10%) of such cost (“**Administrative Charge**”) on demand as Additional Rent. Notwithstanding any other provision concerning cure periods, Landlord may cure any non-performance for the account of Tenant after such notice to Tenant, if any, as is reasonable under the circumstances if curing prior to the expiration of the applicable cure period is reasonably necessary to prevent likely damage to the Premises, the Unit or the Building or possible injury to persons, or to protect Landlord’s interest in the Premises, the Unit and the Building.

ARTICLE 14: SECURITY DEPOSIT

Upon the execution of this Lease, Tenant shall deposit with Landlord a Letter of Credit as described in this Section (the “**Letter of Credit**”), as security for the punctual performance of each and every obligation of Tenant under this Lease. In no event shall the Security Deposit be deemed to be a prepayment of Rent nor shall it be considered a measure of liquidated damages.

The Letter of Credit shall be an irrevocable standby letter of credit, in form and content and issued by a commercial bank satisfactory to Landlord in its sole discretion, which Letter of Credit shall provide that it may be drawn upon in Boston, Massachusetts or by facsimile (i) in part or in whole, upon the presentation of a sight draft accompanied by a certificate signed by a representative of Landlord, setting forth the amount due to Landlord by reason of the occurrence of an Event of Default by Tenant hereunder, or (ii) in whole, upon the presentation of a sight draft accompanied by a certificate signed by a representative of Landlord, stating that (a) such Letter of Credit will expire within thirty (30) days of such certificate, and (b) Tenant has not deposited a substitute Letter of Credit in the form, amount and issued by a bank as required by this Section. Any payment drawn by Landlord under the Letter of Credit pursuant to clause (ii) of the preceding sentence shall be held by Landlord as a cash Security Deposit (“**Cash Security**”) pursuant to the provisions of this Article. Landlord may commingle any Cash Security with Landlord’s other funds, and no interest shall be due thereon. The Letter of Credit shall remain in full force and effect for a period of at least one hundred twenty (120) days beyond the expiration of the Term. Tenant shall deposit the original Letter of Credit with Landlord and shall keep the Letter of Credit in full force and in compliance with the provisions of this Lease throughout the Term.

Landlord may apply the Security Deposit towards any default by Tenant which continues beyond the expiration of the applicable notice and cure periods provided therefor in this Lease (if any), and/or damages sustained by Landlord as a result thereof. In the event that Landlord so draws upon and applies or retains any portion or all of the proceeds of the Letter of Credit, or so applies all or any portion of the Cash Security, Tenant shall pay to Landlord, as Additional Rent, the amount so expended by Landlord (or shall deliver an amendment to the Letter of Credit increasing the amount of the Letter of Credit by the amount so drawn by Landlord) within three (3) Business Days of notice given by Landlord so that at all times (subject to the 3-Business Day grace period herein referenced) Landlord shall be entitled to draw down upon the full aggregate amount of the Letter of Credit or hold the full Cash Security, or some combination thereof. Notwithstanding anything contained in this Lease to the contrary, any failure of Tenant to restore any amount drawn under the Letter of Credit or expended from the Cash Security within the time and manner specified in this Section shall immediately constitute an Event of Default hereunder (without the necessity of any additional notice or the passage of any additional time) and entitle Landlord to immediately draw down the Letter of Credit then in force or effect and Landlord shall retain such cash amounts as a Security Deposit pursuant to the provisions of this Section. Tenant shall be solely responsible for the payment of all costs associated with obtaining, replacing (as necessary), transferring, extending and maintaining the Letter of Credit in accordance with the terms of this Section. The application of all or any part of the Security Deposit to any obligation or default of Tenant under this Lease shall not deprive Landlord of any other rights or remedies Landlord may have, nor shall such application by Landlord constitute a waiver by Landlord. In addition, in the event of a termination based

upon an Event of Default of Tenant under this Lease, or a rejection of the Lease pursuant to the provisions of the Federal Bankruptcy Code, Landlord shall have the right to apply the Security Deposit (from time to time, if necessary) to cover up to the full amount of damages and other amounts due from Tenant to Landlord under the Lease. Any amounts so applied shall, at Landlord's election, be applied first to any unpaid Rent and other charges which were due prior to the filing of the petition for protection under the Federal Bankruptcy Code.

Landlord shall assign the Security Deposit to any purchaser of the Unit, and thereafter Landlord shall have no further responsibility therefor. Upon request of Landlord or any such purchaser of the Building, Tenant shall, at its expense, cooperate with Landlord in obtaining an amendment to or replacement of any Letter of Credit which Landlord is then holding so that the amended or new Letter of Credit reflects the name of the new owner of the Unit.

Within sixty (60) days after the expiration or earlier termination of the Term, Landlord shall inspect the Premises, make such draw upon the Letter of Credit or apply all or any portion of the Cash Security as may be required to cure any default by Tenant hereunder or to make payment on account of damages suffered by Landlord, and, if no default is then continuing, Landlord shall redeliver the original Letter of Credit (as may have previously been drawn on by Tenant) or pay the balance of the Cash Security, as the case may be, to Tenant.

Notwithstanding the foregoing:

(x) provided that (1) this Lease is in full force and effect as of the last day of the fifth (5th) Lease Year (the "**Year 5 Reduction Date**"), and (2) no Event of Default on the part of Tenant has occurred prior to the Year 5 Reduction Date which is continuing as of the Year 5 Reduction Date, Landlord agrees to accept a reduction in the amount of the Letter of Credit which it is then holding so as to cause the total Security Deposit to be reduced as of the Year 5 Reduction Date to an amount equal to four (4) months of Base Rent and Operating Costs at the rates effective as of the first day of the sixth (6th) Lease Year; and

(y) if at any time after the end of the third (3rd) Lease Year, (1) Tenant's stock is traded on a public stock exchange, and (2) Tenant demonstrates to Landlord's reasonable satisfaction that Tenant has maintained a market capitalization of at least Two Hundred Fifty Million (\$250,000,000.00) Dollars for at least twelve (12) consecutive months after the end of the third (3rd) Lease Year, and (3) this Lease is in full force and effect as of, and no Event of Default on the part of Tenant is then continuing as of, the date on which Tenant requests in writing a reduction in the amount of the Security Deposit pursuant to this clause (ii), then upon receipt of Tenant's written request for such a reduction, Landlord agrees to accept a reduction in the amount of the Letter of Credit which it is then holding so as to cause the total Security Deposit to be reduced to an amount equal to four (4) months of Base Rent and Operating Costs at the rates effective as of such receipt by Landlord.

Any reduction in the Letter of Credit held by Landlord as the Security Deposit pursuant to the immediately preceding paragraph shall be accomplished by Tenant providing Landlord with a substitute Letter of Credit in the reduced amount in exchange for the existing Letter of Credit which Landlord is then holding, or by an amendment to the existing Letter of Credit then held by Landlord, in form and substance acceptable to Landlord, which is accepted by Landlord in writing. If Tenant does not satisfy the requirements for a reduction in the amount of the Letter of Credit on the Year 5 Reduction Date as specified above, then Tenant shall be deemed to have irrevocably forfeited its right to such reduction in the amount of the Letter of Credit pursuant to clause (i) of the immediately preceding paragraph, but shall retain its right to a reduction pursuant to clause (ii) of the immediately preceding paragraph.

ARTICLE 15: PROTECTION OF LENDERS

15.01. Rights of Mortgage Holders. Until the holder of a mortgage shall enter and take possession of the Premises for the purpose of foreclosure, such holder shall have only such rights of Landlord as are necessary to preserve the integrity of this Lease as security. Upon entry and taking possession of the Premises for the purpose of foreclosure, such holder shall have all the rights of Landlord. Notwithstanding any other provision of this Lease to the contrary, no such holder of a mortgage shall be liable either as mortgagee, assignee or otherwise, to perform, or be liable in damages for failure to perform, any of the obligations of Landlord unless and until such holder shall succeed to the interests of the Landlord, by foreclosure or deed in lieu of foreclosure, and such holder shall not in any event be liable to perform or for failure to perform the obligations of Landlord under the Work Letter. In the event the holder of a mortgage shall succeed to the interests of the Landlord as aforesaid, such holder shall be liable to perform all of the obligations of Landlord accruing from and after such entry (except for the obligations under the Work Letter), subject to and with the benefit of all of the provisions of this Lease. No Base Rent, Additional Rent or any other charge shall be paid more than ten (10) days prior to the due dates thereof and payments made in violation of this provision shall (except to the extent that such payment are actually received by a mortgagee in possession or in the process of foreclosing its mortgage) be a nullity as against such mortgagee and Tenant shall be liable for the amount of such payments to such mortgagee. Notwithstanding the foregoing, but subject to the provisions of Section 16.02 below, if Landlord has not disbursed the entire amount of the "Allowance" (as defined in the Work Letter attached hereto as **Exhibit C** (the "**Work Letter**")) pursuant to the terms of the Work Letter prior to a mortgagee succeeding to Landlord's interest as landlord under this Lease, and so long as there shall then exist no breach, default, or event of default on the part of Tenant under this Lease, Tenant may off-set amounts spent in connection with performing the Initial Tenant Work which would otherwise have been payable by Landlord out of the Allowance against future installments of Base Rent due under this Lease until the remaining Allowance is fully paid; provided, the monthly off-set amount shall not exceed fifty percent (50%) of the Base Rent then due on a monthly basis.

15.02. Subordination of Lease. It is agreed that the rights and interest of Tenant under this Lease shall be (i) subject or subordinate to any present or future mortgage or mortgages and to any and all advances to be made thereunder, and to the interest of the holder thereof in the Premises or any property of which the Premises are a part if such mortgagee shall elect by notice to Tenant to subject or subordinate the rights and interest of Tenant under this Lease to such mortgage or (ii) prior to any present or future mortgage or mortgages, if such mortgagee shall elect, by notice to Tenant, to give the rights and interest of Tenant under this Lease priority to such mortgage. In the event of either of such elections, and upon notification by mortgagee to that effect, the rights and interest of Tenant under this Lease shall be deemed to be subordinate to, or have priority over, as the case may be, said mortgage or mortgages, irrespective of the time of execution or time of recording of any such mortgage or mortgages. Tenant agrees it will, within ten (10) days of Landlord's or any such mortgagee's request therefor, execute, acknowledge and deliver any and all instruments deemed by Landlord, or by the requesting mortgagee, necessary or desirable to give effect to or notice of such subordination or priority. Tenant also agrees that if it shall fail at any time to execute, acknowledge and deliver any such instrument requested by Landlord, or any such mortgagee, Landlord may, in addition to any other remedies available to it, execute, acknowledge and deliver such instrument as the attorney-in-fact of Tenant and in Tenant's name; and Tenant does hereby make, constitute and irrevocably appoint Landlord as its attorney-in-fact, coupled with an interest with full power of substitution, and in its name, place and stead so to do. Any mortgage to which this Lease shall be subordinated may contain such terms, provisions and conditions as the holder, in its sole discretion, deems necessary or appropriate.

Notwithstanding the foregoing, however, (a) Landlord shall deliver to Tenant at the time of the execution and delivery of this Lease a subordination, non-disturbance and attornment agreement ("**SNDA**") reasonably satisfactory to Tenant with respect to any existing mortgage encumbering the Building as of the Date of Lease, pursuant to which the holder of such mortgage shall agree to recognize and not disturb

Tenant's rights under this Lease so long as Tenant is not in default under this Lease, and (b) Tenant shall not be obligated to subordinate this Lease to any future mortgage encumbering the Building or the Unit unless the mortgagee provides Tenant with an SNDA reasonably satisfactory to Tenant pursuant to which the holder of such mortgage agrees to recognize and not disturb Tenant's rights under this Lease so long as Tenant is not in default under this Lease beyond the expiration of applicable notice and cure periods, if any. The current mortgagee's form of SNDA as of the Date of Lease is attached hereto as **Exhibit L** and is deemed to be acceptable to Tenant. Any mortgage recorded after the recording of the memorandum of lease referred to in **Section 27.2** shall be subject to this Lease unless the mortgagee elects under clause (i) of this Section to subordinate the rights and interest of Tenant to such mortgage, and records a document evidencing such election. An election by a mortgagee under clause (i) of the first sentence of this Section to subordinate the rights and interest of Tenant to a mortgage shall not be valid unless consented to in writing by all the holders of record of all mortgages then outstanding secured by the Premises.

15.03. Mortgagee's Consent and Right to Cure Defaults. No agreement to make or accept any surrender, termination or cancellation of this Lease and no agreement to modify so as to reduce the rent, change the Term, or otherwise materially change the rights of Landlord under this Lease, or to relieve Tenant of any obligations or liability under this Lease, shall be valid unless consented to by Landlord's mortgagees of record, if any. No act or failure to act on the part of Landlord which would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder or to terminate this Lease, shall result in a release or termination of such obligations or a termination of this Lease unless (i) Tenant shall have first given written notice of Landlord's act or failure to act to Landlord's mortgagees of record, if any, specifying the act or failure to act on the part of Landlord which could or would give basis to Tenant's rights; and (ii) such mortgagees, after receipt of such notice, have failed or refused to correct or cure the condition complained of within a reasonable time thereafter; but nothing contained in this Section shall be deemed to impose any obligation on any such mortgagees to correct or cure any such condition. "**Reasonable time**" as used above means and includes a reasonable time to obtain possession of the mortgaged premises if the mortgagee elects to do so and is proceeding diligently to do so, and a reasonable time to correct or cure the condition if such condition is determined to exist.

15.04. Estoppel Certificates. Within ten (10) Business Days after the written request of Landlord, Tenant shall execute, acknowledge and deliver to Landlord a written statement in the form attached hereto as **Exhibit M** or in such other form as may be reasonably requested by Landlord, certifying (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how); (ii) that this Lease has not been canceled or terminated and is in full force and effect; (iii) the last date of payment of Base Rent and other charges and the time period covered; (iv) to the best of Tenant's knowledge, that Landlord is not in default under this Lease (or if in default, describing it in reasonable detail); and (v) such other information with respect to Tenant as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Unit, the Building or the Development may reasonably require. Landlord may deliver any such statement by Tenant to any prospective purchaser or encumbrancer, which parties may rely conclusively upon such statement as true and correct. If Tenant does not deliver such statement to Landlord within such ten (10) day period:

(a) Landlord, and any such prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as represented by Landlord; (ii) that this Lease has not been canceled or terminated and is in full force and effect, except as otherwise represented by Landlord; (iii) that not more than one (1) month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of such facts; and

(b) If Landlord gives written notice to Tenant of such failure and Tenant further fails to deliver such statement to Landlord within five (5) Business Days following the giving of such notice, then an Event of Default shall be deemed to have occurred pursuant to Section 13.01(B)(ii) (d) above.

Within ten (10) Business Days after the written request of Tenant, Landlord shall execute, acknowledge and deliver to Tenant a written statement in such form as may be reasonably requested by Tenant, certifying (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how); (ii) that this Lease has not been canceled or terminated and is in full force and effect; (iii) the last date of payment of Base Rent and other charges and the time period covered; (iv) to the best of Landlord's knowledge, that Tenant is not in default under this Lease (or if in default, describing it in reasonable detail); and (v) such other information with respect to Landlord as Tenant may reasonably request or which any prospective assignee of Tenant's interest hereunder in accordance with the provisions of Article 12 may reasonably require. Tenant may deliver any such statement by Landlord to any such prospective encumbrancer, which parties may rely conclusively upon such statement as true and correct.

15.05. Financial Condition. Tenant, within ten (10) Business Days after request from Landlord from time to time, but in no event more than twice per twelve (12) month period, shall deliver to Landlord Tenant's annual audited (if available, otherwise certified by Tenant's Chief Financial Officer) financial statements for the latest available two (2) fiscal years (unless at the time of such request Tenant is then in default hereunder), including the most recent fiscal year prior to Landlord's request, and quarterly financial statements certified in writing by Tenant's chief financial officer. Landlord may deliver such financial statements to its mortgagees and lenders and prospective mortgagees, lenders, and purchasers. Tenant represents and warrants to Landlord that each such financial statement shall be true and accurate as of the date of such statements. Except for publicly available information, financial statements shall be kept confidential, and Landlord and any parties to whom Landlord provides such statements shall enter into reasonable confidentiality agreements with Tenant, in form reasonably acceptable to both Landlord and Tenant, prior to Tenant's delivery of such financial statements.

ARTICLE 16: MISCELLANEOUS PROVISIONS

16.01. Landlord's Consent Fees. In addition to fees and expenses in connection with Tenant Work as described in Section 10.05 above, Tenant shall pay Landlord's reasonable third party out-of-pocket fees and expenses, including legal, engineering and other consultants' fees and expenses, incurred in connection with Tenant's request for Landlord's consent under Article 12 or in connection with any other request by Tenant for Landlord's consent or approval under this Lease.

16.02. Landlord's Default. Landlord shall in no event be in default in the performance of any of Landlord's obligations under this Lease unless and until Landlord shall have failed to perform such obligation within thirty (30) days after notice by Tenant to Landlord ("**Tenant's Default Notice**") specifying the manner in which Landlord has failed to perform any such obligation (provided that if correction of any such matter reasonably requires longer than thirty (30) days and Landlord so notifies Tenant within thirty (30) days after such Tenant's Default Notice is given, Landlord shall be allowed such longer period, but only if cure is begun within such thirty (30) day period and thereafter diligently prosecuted to completion). In the event of any default by Landlord hereunder, Tenant shall have no right to perform such Landlord obligation and recover from Landlord any costs so incurred, or to abate or withhold Rent, but Tenant shall have the right, in the event of a default by Landlord hereunder, to commence and to prosecute an independent proceeding against Landlord for the recovery of damages or for equitable relief. This Lease shall be construed as though Landlord's and Tenant's covenants contained herein are independent and not dependent, and Tenant hereby waives the benefit of any statute or judicial law to the contrary. In no event shall Landlord ever be liable to Tenant for any indirect, special, consequential, or punitive damages.

16.03. Quiet Enjoyment. Landlord agrees that, so long as no Event of Default has occurred and is then continuing under this Lease, Tenant shall peaceably and quietly hold, occupy and enjoy the Premises during the Term of this Lease without disturbance by Landlord or by any person claiming through or under Landlord, subject to the terms of this Lease, the Condominium Documents and Title Matters.

16.04. Interpretation. In any provision relating to the conduct, acts or omissions of Tenant, the term “**Tenant**” includes Tenant’s agents, employees, contractors, invitees, or successors. In any provision relating to the conduct, acts or omissions of Landlord, the term “**Landlord**” includes Landlord’s agents, employees, contractors, invitees, or successors; *provided, however*, that neither the foregoing nor any reference in this Lease to “invitees” of Landlord shall be construed so as to include Tenant or any other tenant or occupant of any portion of the Development or any of their respective employees, agents, contractors or invitees.

16.05. Notices. All notices, requests and other communications required under this Lease (a) shall be in writing, addressed (i) to Landlord, as specified in Article 1, and (ii) to Tenant, as specified in Article 1 until the Rent Commencement Date, and then from and after the Rent Commencement Date, to Tenant at the Premises, and (b) shall (unless otherwise expressly provided in this Lease) be (i) personally delivered, or (ii) sent by certified mail, return receipt requested, postage prepaid, or (iii) delivered by a national overnight delivery service that maintains delivery records. Any notice so addressed shall be effective upon the earlier of (A) actual receipt, or (B) first tender for delivery by the United States Postal Service or a national overnight courier (provided that such first tender occurs on a Business Day), or (C) on the third Business Day following the day of mailing if so mailed by certified mail, return receipt requested. Either party may change its notice address upon written notice to the other party. Whenever oral notice is expressly permitted to be provided by either party pursuant to the provisions of this Lease, such notice shall only be valid and effective if such party uses all reasonable efforts to provide confirmatory written notice to the other party within two (2) Business Days of the giving of such oral notice.

16.06. No Recordation. Tenant shall not record this Lease or any portion(s) hereof, and immediately upon any such recording this Lease shall automatically (and without the necessity of any notice from or action by Landlord) terminate. Notwithstanding the foregoing, Landlord and Tenant agree to execute herewith a Notice of Lease in the form attached hereto as Exhibit N, which shall be recorded with the appropriate Registry of Deeds, and agree to execute, upon termination of this Lease for whatever cause, a Notice of Termination of Lease in recordable form for recording with said Registry of Deeds.

16.07. Corporate Authority. Each of Tenant and Landlord warrant and represent to the other that (a) such party is duly organized, validly existing and in good standing under the laws of the jurisdiction in which such entity was organized; (b) such party has the authority to own its property and to carry on its business as contemplated under this Lease; (c) such party has duly executed and delivered this Lease; and (d) the execution, delivery and performance by such party of this Lease (i) are within the powers of such party, (ii) have been duly authorized by all requisite action, (iii) will not violate any provision of law or any order of any court or agency of government, or any agreement or other instrument to which such party is a party or by which it or any of its property is bound, and (iv) will not result in the imposition of any lien or charge on any of such party’s property, except by the provisions of this Lease. These warranties and representations shall survive the expiration of the Term or the earlier termination of this Lease. Upon execution of this Lease, Tenant shall provide a board resolution or other entity vote authorizing the execution of this Lease on behalf of Tenant and identifying the person authorized to execute this Lease on behalf of Tenant, together with a clerk’s or secretary’s certificate indicating that such authorized person has in fact executed this Lease.

16.08. Joint and Several Liability. If more than one party signs this Lease as Tenant, they shall be jointly and severally liable for all obligations of Tenant.

16.09. Force Majeure. If either party is delayed or hindered in or prevented from the performance of any act required under this Lease to be performed by such party by reason of (i) strikes, lockouts, or labor disputes not attributable to the failure of the party claiming the benefit of a delay due to "Force Majeure" or any of its contractors (of any tier) to perform their obligations under any applicable labor contract or law; (ii) inability to obtain labor or materials, or reasonable substitutes therefor; (iii) acts of God, governmental action, condemnation, civil commotion, terrorism, riots, insurrection, war, fire, or other casualty; (iv) trouble in obtaining fuel, electricity, water, sewer, or telecommunication services or supplies from sources from which they are usually obtained, provided the party experiencing such trouble shall have used reasonable efforts to procure alternative sources; or (v) other conditions similar to those hereinabove enumerated beyond the reasonable control of the party obligated to perform (collectively, "**Force Majeure**"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Subject to the provisions of the last sentence of this Section, in case either party is prevented or delayed from diligent construction of improvements, making any repairs, alterations or improvements, or furnishing any services or performing any other covenant or duty to be performed on the part of such party by reason of any cause reasonably beyond such party's control, then notwithstanding any contrary provision of this Lease, such party shall not be liable to the other party therefor nor shall Tenant be entitled to any abatement or reduction of Rent by reason thereof, nor shall the same give rise to a claim in Tenant's favor that such failure constitutes actual or constructive, total or partial, eviction from the Premises. In order to claim the benefit of a delay due to "Force Majeure", the party experiencing such event or circumstance must (a) notify the other party within a reasonable time period after such delay commences, and (b) use all reasonable and diligent efforts to minimize the duration of such delay and the effect of the delay upon the progress of construction of its respective work as described in this Work Letter. Nothing in this Section 16.09 shall excuse Tenant's failure to make payments under this Lease when due.

16.10. No Warranties; Limitation on Landlord's Liability.

16.10(a) No Warranties. Landlord and Tenant expressly agree that there are and shall be no implied warranties of merchantability, habitability, suitability, fitness for a particular purpose or of any other kind arising out of this Lease, and there are no warranties which extend beyond those expressly set forth in this Lease.

16.10(b) Limitation On Landlord's Liability. Tenant agrees that Landlord shall be liable only for breaches of its covenants occurring while it is owner of the Unit; *provided, however,* that if Landlord from time to time is lessee of the ground or improvements constituting the Building, then Landlord's period of ownership of the Unit shall be deemed to mean only that period while Landlord holds such leasehold interest. Upon any sale or transfer of the Unit, the transferor Landlord (including any mortgagee) shall be relieved of any liability or obligation thereafter arising and Tenant shall look solely to the transferee Landlord as aforesaid for satisfaction of such liability or obligation except for defaults by Landlord prior to such transfer (for which the transferor Landlord shall remain liable). Tenant and each person acting under Tenant agrees to look solely to Landlord's interest from time to time in the Unit for satisfaction of any claim against Landlord. No owner, trustee, beneficiary, partner, member, manager, officer, director, agent, or employee of either Landlord (or of any mortgagee or any lender or ground or improvements lessor) or Tenant, nor any person acting under any of them shall ever be personally or

individually liable to the other party to this Lease or any person claiming under or through such other party for or on account of any default hereunder or failure to perform any of its obligations hereunder, or for or on account of any amount or obligations that may be or become due under or in connection with this Lease or the Premises; nor shall it or they ever be answerable or liable in any equitable judicial proceeding or order beyond the extent of their interest in the Unit. No deficit capital account of any member or partner of Landlord shall be deemed to be a liability of such member or partner or an asset of Landlord. Any lien obtained to enforce any judgment against Landlord shall be subject and subordinate to any mortgage encumbering the Unit (either by itself or as part of a larger mortgaged property). In no event shall Landlord (or any such persons) ever be liable to Tenant, or anyone claiming through or on behalf of Tenant, for any special, indirect, punitive or consequential damages, including lost profits or revenues.

16.11. Brokers. Landlord and Tenant represent and warrant to each other that the parties named in Article 1 are the only agents, brokers, finders or other parties with whom such party has dealt who may be entitled to any commission or fee with respect to this Lease or the Premises. Landlord shall compensate Landlord's Broker and Tenant's Broker pursuant to a separate agreement between Landlord and such Brokers. Landlord and Tenant agree to indemnify and hold the other harmless from any claim, demand, cost or liability, including reasonable attorneys' fees and expenses, asserted by any party other than the parties named in Article 1 based upon dealings of that party with the indemnifying party. The provisions of this Section shall survive the expiration of the Term or the earlier termination of this Lease.

16.12. No Waiver; Accord and Satisfaction. No consent by Landlord or Tenant to any act or omission that otherwise would be a default shall be construed to permit other similar acts or omissions. Neither party's failure to seek redress for violation or to insist upon the strict performance of any covenant, nor the receipt by Landlord of Rent with knowledge of any breach of covenant, shall be deemed a consent to or waiver of such breach. No breach of covenant shall be implied to have been waived unless such is in writing, signed by the party benefiting from such covenant and delivered to the other party. No acceptance by Landlord of a lesser sum than the Rent due shall be deemed to be other than on account of the earliest installment of such Rent; nor shall any endorsement or statement on any check or in any letter accompanying any check or payment be deemed an accord and satisfaction; and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other right or remedy. The acceptance by Landlord of any Rent following the giving of any default and/or termination notice shall not be deemed a waiver of such notice. Tenant shall not interpose any counterclaim or counterclaims in a summary proceeding or in any action based on non-payment of Rent except to the extent that by failing to do so, Tenant will irrevocably lose the right to assert such claim in an independent action.

16.13. Applicable Law and Construction. This Lease may be executed in counterparts, shall be construed as a sealed instrument, and shall be governed exclusively by the provisions hereof and by the laws of the state where the Development is located without regard to principles of choice of law or conflicts of law. A facsimile or electronic signature affixed to this Lease shall be sufficient to prove the execution by a party. The covenants of Landlord and Tenant are independent, and such covenants shall be construed as such in accordance with the laws of The Commonwealth of Massachusetts. If any provision of this Lease or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of this Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby. Other than contemporaneous instruments executed and delivered of even date, if any, this Lease contains all of the agreements between Landlord and Tenant relating in any way to the Premises and supersedes all prior agreements and dealings between them. There are no oral agreements between Landlord and Tenant relating to this Lease or the Premises. This Lease may be amended only by instrument in writing executed and delivered by both Landlord and Tenant. The provisions of this Lease shall bind Landlord and Tenant and their respective successors and

assigns, and shall inure to the benefit of Landlord and its successors and assigns and of Tenant and its permitted successors and assigns, subject to Article 12. The titles are for convenience only and shall not be considered a part of this Lease. This Lease shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties, it being recognized that both Landlord and Tenant have contributed substantially and materially to the preparation of this Lease. If Tenant is granted any extension or other option, to be effective the exercise (and notice thereof) shall be unconditional; and if Tenant purports to condition the exercise of any option or to vary its terms in any manner, then the option granted shall be void and the purported exercise shall be ineffective. Time is of the essence of this Lease and each of its provisions. The enumeration of specific examples of a general provision shall not be construed as a limitation of the general provision, and the term "including" shall be deemed to mean "including, without limitation". As used in this Lease, the term "**Business Day**" shall mean any day other than a Saturday, Sunday, or day on which commercial banks in Boston, Massachusetts are authorized or required by law to remain closed. Unless a party's approval or consent is required by the express terms of this Lease to not be unreasonably withheld, conditioned or delayed, such approval or consent may be withheld in the party's sole discretion. The submission of a form of this Lease or any summary of its terms shall not constitute an offer by Landlord to Tenant; but a leasehold shall only be created and the parties bound when this Lease is executed and delivered by both Landlord and Tenant and approved by the holder of any mortgage of the Premises having the right to approve this Lease. Nothing herein shall be construed as creating the relationship between Landlord and Tenant of principal and agent or of partners or joint venturers or any relationship other than landlord and tenant. This Lease and all consents, notices, approvals and all other related documents may be reproduced by any party by any electronic means or by facsimile, photographic, microfilm, microfiche or other reproduction process and the originals may be destroyed; and each party agrees that any reproductions shall be as admissible in evidence in any judicial or administrative proceeding as the original itself (whether or not the original is in existence and whether or not reproduction was made in the regular course of business), and that any further reproduction of such reproduction shall likewise be admissible. If any payment in the nature of interest provided for in this Lease shall exceed the maximum interest permitted under controlling law, as established by final judgment of a court, then such interest shall instead be at the maximum permitted interest rate as established by such judgment.

16.14. Waiver of Trial by Jury. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION TO WHICH THEY ARE PARTIES ARISING OUT OF OR RELATING TO THIS LEASE, THE PREMISES, THE UNIT, THE BUILDING OR THE DEVELOPMENT.

16.15. No Representations or Inducements. In entering into this Lease Tenant acknowledges that Tenant is not relying on any representations, agreements, or promises of Landlord, or any inducements offered by Landlord to Tenant, not expressly set forth in this Lease.

16.16. No Surrender. No act or thing done by Landlord shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of the Lease or a surrender of the Premises. In the event that Tenant at any time desires to have Landlord underlet the Premises for Tenant's account, Landlord or Landlord's agents are authorized to receive the keys or other access devices for such purposes upon written notice from Tenant without releasing Tenant from any of the obligations under this Lease, and Tenant hereby relieves Landlord of any liability for loss of or damage to any of Tenant's effects in connection with such underletting.

16.17. Arbitration. All disputes between the parties specifically referencing this Section 16.17 shall be resolved in accordance with this Section 16.17 except (i) Landlord shall have all of its rights and remedies at law or in equity in the event of a default by Tenant, (ii) Landlord shall have the right to obtain possession of the Premises by any lawful means following a valid termination of this Lease, and (iii) any arbitration decision under this Section 16.17 shall be enforceable in accordance with applicable law in any court of proper jurisdiction.

16.17(a) Initial Construction Disputes. If the dispute is with respect to matters relating to the Base Building Work or Initial Tenant Work (“Initial Construction Disputes”), the dispute shall initially be submitted by either party to the Landlord Representative and the Tenant Representative for resolution. The initial representatives of the parties shall be as follows, until a party gives written notice to the other parties that it is replacing its Representative:

| | |
|---------------------------------|-------------------------------|
| <u>Landlord Representative:</u> | <u>Tenant Representative:</u> |
| Mark A. Deschenes | Edward Freedman |

The Landlord and Tenant Representatives shall meet one or more times to attempt to resolve such dispute within the 5-Business Day period following the date that such dispute is submitted to them. If, after such meeting(s), the parties have been unable to resolve such dispute, then such dispute shall be resolved as set forth in Section 16.17(b).

16.17(b) Arbitration Procedures. Either party may give written notice of the dispute requesting resolution under this Section and submit a reasonably detailed written statement of the position and reasons therefor with such notice. The other party will, within ten (10) days ((five (5) days if an Initial Construction Dispute) of receiving such written statement, submit to the party initiating the dispute resolution its own detailed written statement of the position and reasons therefor. The president of Tenant and Mark A. Deschenes, on behalf of Landlord (or such other persons as Landlord or Tenant may designate by written notice to the other), shall meet at the earliest mutually acceptable time and place, but in any case within thirty (30) days (ten (10) days if an Initial Construction Dispute) of the date of the response statement to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days (ten (10) days if an Initial Construction Dispute) of the date of the response statement, then either party may initiate arbitration of such controversy by written notice to the other (the “Arbitration Notice”). The arbitration shall be held before a single arbitrator. The parties shall endeavor to agree upon and name the arbitrator within the 15-day period following the giving of the Arbitration Notice. If the parties fail timely to agree upon and name the arbitrator, then unless the parties agree in writing to another procedure for designating the arbitrator, either party may by written notice given to the other and to the Boston office of the American Arbitration Association request that the arbitrator be promptly chosen by the Boston office of the American Arbitration Association. The arbitrator shall commence the arbitration hearing within ten (10) days after appointment, shall complete the arbitration hearing within thirty (30) days after the date the arbitration hearing commenced, and shall render a written arbitration decision within forty (40) days after the arbitration hearing commenced, which time periods may be extended by written agreement of the parties or by the arbitrator for good cause, except that any arbitration of Initial Construction Disputes shall be conducted on an expedited basis and shall be concluded, with a decision issued, no later than two (2) weeks after the date that such dispute was submitted for arbitration. The arbitration shall be conducted in accordance with then existing expedited procedures under the commercial arbitration rules of the American Arbitration Association; however, to the extent any provision of this paragraph is inconsistent with such procedures, the provisions of this paragraph shall govern. The decision of the arbitrator shall be final and binding upon the parties and judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties shall equally share and pay the costs of the arbitrator. Each party shall be afforded a reasonable

opportunity to take discovery of the other prior to the commencement of such arbitration consistent with the expedited dispute resolution timetable set forth in this Section 16.17(b); *provided, however*, that each party shall be limited to a maximum of twelve (12) deposition hours each. Notwithstanding the foregoing or anything herein to the contrary, the dispute resolution provisions of this Section shall not apply to a dispute, claim or controversy in which: (i) a party claiming in good faith a breach of any provision of this Lease by the other party seeks immediate equitable relief from a court of competent jurisdiction to enable the instituting party to prevent irreparable harm (alleged to arise from the alleged breach) pending agreed resolution or a grant of arbitral relief; or (ii) any claim by one party against the other party arises out of the subject matter of any court litigation or proceeding commenced by any third party against one party in which the other party is an indispensable party or third party defendant; or (iii) any claim is asserted with respect to which a third party, which is not bound and will not upon request of a party, agree to arbitrate, is an indispensable or necessary party.

16.18. REIT/UBTI. Landlord and Tenant hereby agree that it is their intent that all Base Rent and all other Additional Rent and any other rent and charges payable to the Landlord under this Lease shall qualify as “rents from real property” within the meaning of Sections 512(b)(3) and 856(d) of the Internal Revenue Code of 1986, as amended, (the “**Code**”) and the U.S. Department of the Treasury Regulations promulgated thereunder (the “**Treasury Regulations**”). In the event that (i) the Code or the Treasury Regulations, or interpretations thereof by the Internal Revenue Service contained in revenue rulings or other similar public pronouncements, shall be changed so that any Rent no longer so qualifies as “rent from real property” for purposes of either said Section 512(b)(3) or Section 856(d) or (ii) the Landlord, in its sole discretion, determines that there is any risk that all or part of any Rent shall not qualify as “rents from real property” for the purposes of either said Sections 512(b)(3) or 856(d), such Rent shall be adjusted in such manner as the Landlord may require so that it will so qualify; *provided, however*, that any adjustments required pursuant to this Section shall be made so as to produce the equivalent (in economic terms) Rent as payable prior to such adjustment. The parties agree to execute an amendment to this Lease setting forth such adjustment to the Rent as is agreed upon by the parties.

16.19. Patriot Act. Notwithstanding any other provision contained in this Lease to the contrary, Tenant shall not knowingly transfer or permit the transfer of any legal or beneficial interest in Tenant to, or assign, sublease or otherwise Transfer all or any portion of its interest under this Lease or in all or any portion of the Premises to, or enter into any sublease to, any of the following:

(a) any person or entity (or any person or entity whose operations are directed or controlled by a person or entity) that has been convicted of or has pleaded guilty in a criminal proceeding to a felony or that is an on-going target of a grand jury investigation convened pursuant to applicable statutes concerning organized crime;

(b) any entity organized in or controlled from a country, the activities with respect to which are regulated or controlled pursuant to the following United States laws and the regulations or executive orders promulgated thereunder: (1) the Trading with the Enemy Act of 1917, 50 U.S.C. App. §1, *et seq.*, as amended; (2) the International Emergency Economic Powers Act of 1976, 50 U.S.C. §1701, *et seq.*, as amended; or (3) the Anti-Terrorism and Arms Export Amendments Act of 1989, codified at Section 6(j) of the Export Administration Act of 1979, 50 U.S.C. App. §2405W, as amended; or

(c) any person or entity with whom Landlord is restricted from doing business under either (1) Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001 (as amended or supplemented from time to time, the “**Executive Order**”), or (2) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 10756; as amended, from time to time, the “**Patriot Act**”), or (3) the regulations of the United States Department of the Treasury Office of Foreign Assets Control (including those Persons named on the list of “Specially Designated Nationals and Blocked Persons” as modified from time to time), or other governmental action;

or

(d) any Affiliate of any of the persons or entities described in the preceding paragraphs (a), (b) or (c).

Tenant shall, simultaneously with its execution and delivery of this Lease, deliver to Landlord a certification stating that, to the best of Tenant's knowledge, neither Tenant nor any of its constituent partners, investors, beneficiaries or Affiliates, are in violation of any Legal Requirements relating to terrorism or money laundering, including the Executive Order and the Patriot Act and that neither Tenant, nor its constituent partners, investors, beneficiaries or Affiliates, are listed on the United States Department of the Treasury Office of Foreign Assets Control list of "Specially Designated Nationals and Blocked Persons" as modified from time to time, and that none of them is otherwise subject to the provisions of the Executive Order or the Patriot Act, or any rules or regulations promulgated thereunder. Thereafter, Tenant shall from time to time, within ten (10) days after request by Landlord, deliver to Landlord a certification stating that, to the best of Tenant's knowledge, neither Tenant nor any Transferee, nor any of their respective constituent partners, investors, beneficiaries or Affiliates, are in violation of any Legal Requirements relating to terrorism or money laundering, including the Executive Order and the Patriot Act and that neither Tenant nor any Transferee, nor any of their respective constituent partners, investors, beneficiaries or Affiliates, are listed on the United States Department of the Treasury Office of Foreign Assets Control list of "Specially Designated Nationals and Blocked Persons" as modified from time to time, and that none of them is otherwise subject to the provisions of the Executive Order or the Patriot Act, or any rules or regulations promulgated thereunder. As used in this Lease, the term "**Affiliate**" shall mean, with respect to any specific person or entity, any other person or entity which, directly or indirectly, controls or is controlled by or is under common control with such first-mentioned person or entity. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any entity, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting stock or by contract or otherwise.

(the next page is the signature page)

LANDLORD:

Arsenal Yards Holding LLC,
a Delaware limited liability company

By: BP Watertown Retail LLC,
a Delaware limited liability
company, its Managing Member

By: BP/Arsenal Group LLC,
a Delaware limited liability
company, its Managing Member

By: /s/ William P. McQuillan
Name: William P. McQuillan
Title: Manager

TENANT:

Kymera Therapeutics, Inc.,
a Delaware corporation

By: /s/ Nello Mainolfi, Ph.D.
Name: Nello Mainolfi, Ph.D.
Title: President & CEO

Schedule 1

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EXHIBIT A
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.
PLAN SHOWING THE DEVELOPMENT, THE BUILDING AND THE UNIT

[See attached page]



1 DIMENSIONED GROUND FLOOR PLAN

EXHIBIT A-1
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

LEGAL DESCRIPTION OF THE LAND

[See attached pages]

EXHIBIT A-1**PARCEL I - FEE SIMPLE**

Beginning at the corner of Lot #2 at the Northwesterly corner of the property, said point being 447.43 feet from the Northeasterly corner of Talcott Street;

thence running along Arsenal Street South 78°47' 56" East, 222.34 feet to an angle;
 thence running South 81° 28' 44" East, 152.64 feet to an angle;
 thence running South 85° 14' 23" East, 152.46 feet to an angle;
 thence running South 81° 28' 44" East, 30.51 feet to a corner;
 thence running along a-curved line with a radius of 144.00 feet, a distance of 37,28 feet to a point;
 thence running along another curved line with a radius of 156.00 feet, a distance of 40,39 feet to a point;
 thence running South 81° 28' 44" East, 108,27 feet to a bend;
 thence running South 86° 05' 45" East, 124.23 feet to a bend;
 thence running South 81° 28' 44" East, 120,97 feet to a corner;
 thence running South 08° 31' 16" West, 1.79 feet to a corner;
 thence running South 81° 34' 04" East, 141,70 feet to a bend;
 thence running South 36° 34' 04" East, 2.83 feet to a bend;
 thence running South 81° 34' 04" East, 49,09 feet to a corner;
 thence turning and running by Lot# 1 South 08° 15' 00" West, 299.04 feet to a corner;
 thence turning and running by Lot #1 South 81° 45' 00" East; 120.50 feet to a bend;
 thence running South 36° 45' 00" East, 21.00 feet to a corner;
 thence running South 53° 15' 00" West, 44.38 feet to a point;
 thence running along a curved line with a radius of 75,00 feet, a distance of 58.90 feet to a point;
 thence running South 08° 15' 00" West, 228.95 feet to a corner;
 thence running by a curved line with a radius of 1776.21 feet a distance of 199.24 feet to a tangent;
 thence running South 81° 56' 08" East 79,45 feet to a point;
 thence running by a curved line with a radius of 878,74 feet, a distance of 476.34 feet to a point;
 thence running by a curved line with a radius 011057.99 feet, a distance of 221.36 feet to a corner;
 thence running North 34°58'58" West, 54.68 feet to a corner;
 thence running North 81°27'20" West, 90.00 feet to a corner; •
 thence running North 08°32'40" East,308.78 feet to a corner at Arsenal Street;
 thence turning and running along Arsenal Street South 81° 17' 17" East, 44.84 feet to a point;
 thence running South 81° 27' 12" East, 14.83 feet to an angle;
 thence running North 53° 32' 48" East, 5.66 feet to an angle;
 thence running South 81° 27' 12" East, 58.67 feet to an angle;
 thence running South 36° 27' 12" East, 2,83 feet to an angle;
 thence running South 81° 27' 12" East, 57,33 feet to an angle;
 thence running North 53° 32' 48" East, 2,83 feet to an angle;
 thence running South 81° 27' 12" East, 38.67 feet to an angle;
 thence running South 36° 27' 12" East, 2,83 feet to an angle;
 thence running South 81° 27' 12" East, 37.33 feet to an angle;

This Policy is invalid unless the cover sheet and Schedule B are attached

P- ALTA Owner's Policy (6/17/06)

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MA-02100.280575-RAM-72-306--1-03-1321-0131

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thence running North 53° 32' 48" East, 2.37 feet to an angle;
thence running South 83° 43' 34" East, 96.32 feet to an angle;
thence running South 38° 43' 34" East 2.83 feet to an angle;
thence running South 83° 43' 34" East, 68.39 feet to an angle;
thence running North 51° 16' 26" East, 2.83 feet to an angle;
thence running South 83° 53' 46" East, 121.21 feet to a point;
thence running along a curved line with a radius of 10.43 feet, a distance of 24.07 feet to a point; •
thence running along the sideline of Charles W. Greenough Boulevard South 50° 46' 24" West, 469.25 feet to a point;
thence running along a curved line with a radius of 1142.99 feet, a distance of 323.81 feet to a point;
thence running along another curved line with a radius of 963.74 feet, a distance of 522.42 feet to a tangent;
thence running North 81° 56' 08" West, 79.45 feet to a point;
thence running by a curved line with a radius of 1691.21 feet, a distance of 365.94 feet to a corner of property of the Town of Watertown;
thence turning and running by said Town of Watertown land North 00° 31' 40" East, 203.77 feet to a corner;
thence turning and running North 89° 28' 20" West, 761.50 feet to a corner;
thence turning and running North 00° 31' 40" East, 140.00 feet to a corner;
thence turning and running North 89° 28' 20" West, 198.30 feet to a corner;
thence turning and running North 00° 31' 40" East, 74.25 feet to a corner;
thence turning and running North 89° 28' 20" West, 116.50 feet to a corner of Lot #3;
thence turning and running by Lot #3 and by Lot #4, North 00° 31' 40" East, 364.81 feet to a corner; .
thence turning and running again by Lot #4, South 89° 28' 20" East, 89.00 feet to a corner;
thence turning and running by Lot #1, North 00° 31' 40" East, 108.44 feet to Arsenal Street and the point of beginning of said parcel.
Being shown as Lot #2 on a plan entitled "Plan of Land Arsenal Street Watertown, Middlesex County, Mass Property Line Plan", scale 1" 100', dated December 16, 1983 and recorded with Middlesex South District Registry of Deeds as Plan No. 1495 of 1983
Excepting therefrom that certain parcel of land and the Improvements thereon located in Watertown, Middlesex County, Massachusetts, bounded and described as follows:
Beginning at the corner of Lot #2A at the Northwesterly corner of the property, said point being 447.43 feet from the Northeasterly corner of Talcott Street;
thence running along Arsenal Street South 78° 47' 56" East, 204.33 feet to a point;
thence running South 00° 22' 13" West, 509.66 feet by remaining portion of Lot 2;
thence turning and running North 89° 28' 20" West, 174.70 feet to a corner;

This Policy Is Invalid unless the cover sheet and Schedule B are attached

P- ALTA Commerical Owner's Policy (6117/06)

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thence turning and running North 00° 31' 40" East, 74.25 feet to a corner;
thence turning and running North 89° 28' 20" West, 116.50 feet to a corner of Lot #3;
thence turning and running by Lot #3 and by Lot #4, North 00° 31' 40" East, 364.81 feet to a corner;
thence turning and running again by Lot #4, South 89° 28' 20" East, 89.00 feet to a corner;
thence turning and running by Lot #4 North 00° 31' 40" East, 108.44 feet to Arsenal Street and the point of beginning said parcel.

Being shown as Lot #2A on a plan entitled "Plan of Land, Arsenal Street, Watertown, Middlesex County, Mass.," Scale 1" = 40' prepared by Yunits Engineering Co., Inc., dated March 11, 1985, recorded with the Middlesex South District Registry of Deed In Book 16270, Page 120.

Less and excepting that portion of the premises that is within the bounds of that certain condominium known as the Arsenal Condominium, situated in Watertown, Middlesex County (Southern District), Massachusetts, bounded and described as follows:

Being the same premises as described and created by Master Deed dated January 27, 2010 and recorded January 29, 2010, in Book 54229, Page 81, and in By Laws of said Condominium dated January 27, 2010 and recorded on January 29, 2010 in Book 54229, Page 106

TOGETHER WITH THE BENEFIT, APPURTENANT TO PARCEL ABOVE, OF THE RIGHTS AND EASEMENTS CONTAINED IN THE FOLLOWING DOCUMENTS:

a, Construction, Operating and Reciprocal Easement Agreement for The Arsenal Markets by and between Watertown Arsenal Associates, a Massachusetts limited partnership, Ann & Hope Watertown Associates, a Massachusetts limited partnership, and Ann & Hope Marketplace, Inc., a Massachusetts corporation, dated November 15, 1983 and recorded November 22, 1983 in Book 15336, Page 26; as affected by First Supplement to Construction, Operating and Reciprocal Easement Agreement for Arsenal Markets, dated December 26, 1985 and recorded January 16, 1986 in Book 16715, Page 588; as affected by Assignment and Assumption Agreement to Ann & Hope of Rhode Island, Inc., a Massachusetts corporation, dated December 31, 1991 and recorded January 27, 1992 in Book 21712, Page 13; affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Arsenal Mall LLC, a Massachusetts limited liability company, and SPG Arsenal, L.P., a Delaware limited partnership, dated October 27, 1999 and recorded October 28, 1999 in Book 30808, Page 195; affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Watertown Arsenal Associates, a Massachusetts limited liability company, and SPG Arsenal HCHP, LLC, a Delaware limited liability company, dated October 27, 1999 and recorded October 28, 1999 in Book 30808, Page 264; as further affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between EDF Watertown, !IC, a Massachusetts limited liability company, and EDF Watertown IT, LLC, Massachusetts limited liability company, dated June

This Policy is Invalid unless the cover sheet and Schedule 13 are attached

P- ALTA Commerical Owner's Policy (6/17/06)

Page 13 of 17

MA-02100.260675-RAM-72-306-1-03-1321-0131

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1, 2001 and recorded June 1, 2001 in Book 32981, Page 402; as further affected by a Notice Regarding Supplemental Agreement by and between EDF Watertown, LLC, a Massachusetts limited liability company, The Stop & Shop Supermarket Company, a Delaware corporation and Home Depot U.S.A., Inc., dated February 19, 2001, a Notice of which is dated June 1, 2001 and recorded June 1, 2001 in Book 32981, Page 415; further affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Ann & Hope Watertown Associates, a Massachusetts limited partnership, Ann & Hope Marketplace, Inc., a Massachusetts corporation, Ann & Flope of Rhode Island, Inc., a Massachusetts corporation, and EDF Watertown, LLC, a Massachusetts limited liability company, dated June 1, 2001 and recorded June 1, 2001 in Book 32981, Page 331, as further affected by an Assignment and Assumption Agreement by and between SPG Arsenal, L.P., SPG Arsenal HCHP, L.L.C, EDF Watertown, LLC and OP Watertown Retail, LLC dated August 8, 2013 and recorded in Book 62423, Pages 137, 149 and 162. (as amended, the "COREA").

PARCEL II - FEE SIMPLE

Condominium Unit 1 of that certain condominium known as EDF Watertown Condominium, situated at 615 Arsenal Street, Watertown, Middlesex County, Massachusetts, created by Master Deed, dated June 1, 2001, recorded with said Deeds on June 1, 2001, Book 32981, Page 350, together with the percentage interest in the common areas and facilities of said Condominium and all other interests appurtenant to the Units as set forth in said Master Deed, and in the By-Laws of said Condominium recorded in Book 32981, Page 371 .

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EXHIBIT A-2
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

PLAN SHOWING LOCATION OF DESIGNATED PARKING SPACES

[See attached page]



PARKING USAGE PLAN

Tenant shall have thirty-five (35) designated spaces located on the top two (2) floors of Garage B.

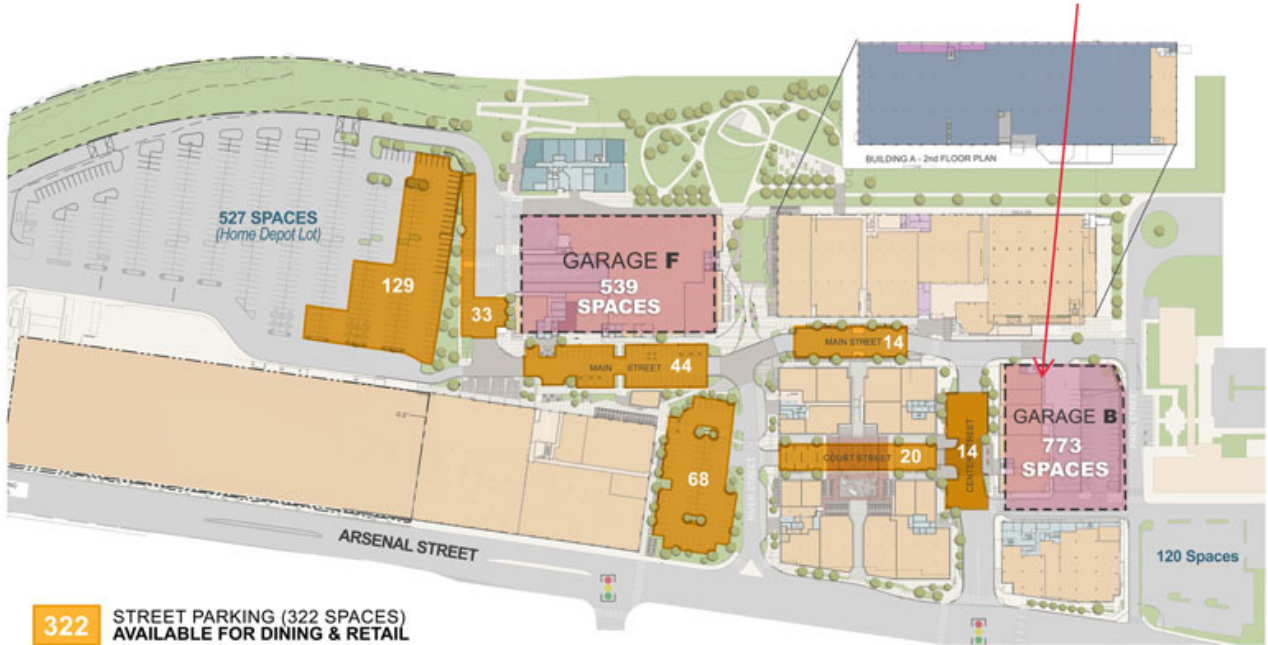
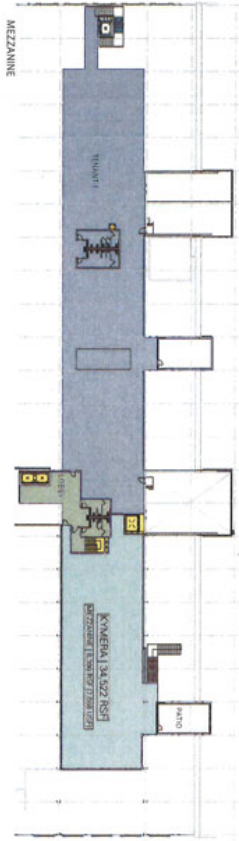


EXHIBIT B
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

UNIT FLOOR PLAN SHOWING THE PREMISES AND THE OFFER SPACE

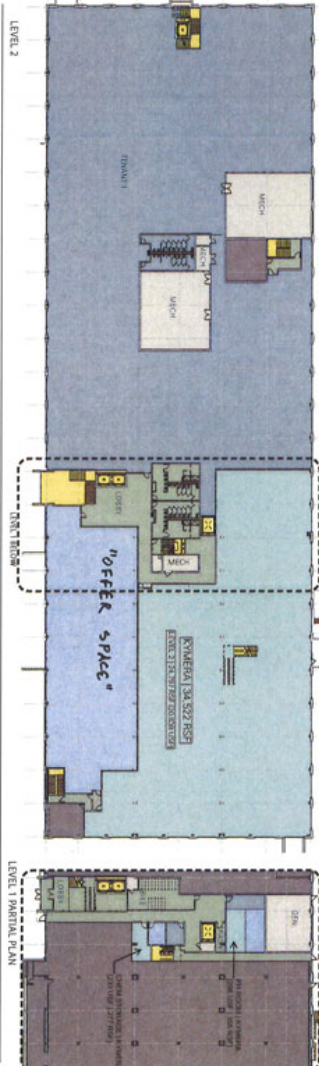
[See attached page]

ARSENAL YARDS TENANT ALLOCATION | KYMERA



| KYMERA | USE | RSF (SQM) |
|-----------|------------|------------|
| LEVEL 1 | 531 USE | 632 USE |
| LEVEL 2 | 20,888 USE | 24,797 RSF |
| MEZZANINE | 2,088 USE | 8,399 RSF |
| TOTAL | 23,507 USE | 34,827 RSF |

- TENANT 1
- KYMERA
- TENANT 3
- COMMON
- VERTICAL PENETRATION



LEVEL 2
SQA COMMUNICATING COLLABORATING CREATING

06.10.2019 | 1

EXHIBIT C
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

WORK LETTER

[See attached pages]

EXHIBIT C

WORK LETTER

THIS WORK LETTER (the “**Work Letter**”) is attached to and made part of that certain Lease (the “**Lease**”) by and between ARSENAL YARDS HOLDING LLC (“**Landlord**”) and KYMERA THERAPEUTICS, INC. (“**Tenant**”). The terms, definitions, and other provisions of the Lease are hereby incorporated into this Work Letter by reference as if set forth in full.

Capitalized terms used herein but not defined in this Work Letter shall have the meanings set forth in the Lease. In connection with the execution of the Lease, Landlord and Tenant hereby agree as follows:

A. Additional Definitions. Each of the following terms shall have the meaning stated immediately after it:

1. **Base Building Work:** The work which has been done or is to be done by Landlord at its sole cost to provide the Premises in a “shell” condition, including (a) construction and installation of the elevators (both passenger and freight), the structural system, exterior walls, and windows of the Unit, (b) the mechanical, plumbing, electrical, gas, water, sanitary, data, and other common Building systems extended to the Premises (but not including any distribution facilities or appurtenances or any other portion of any Building system within the Premises), and (c) the common areas of the Unit necessary for reasonable access to, and use of, the Premises for the normal conduct of Tenant’s business therein, all as either shown and described more particularly on the Base Building Plans and Specifications listed on **Exhibit C-1** attached hereto and incorporated herein by reference, or identified as Landlord’s responsibility on **Exhibit C-3** attached hereto and incorporated herein by reference.

2. **Force Majeure:** The occurrence of any of the following events or circumstances: (i) strikes, lockouts, or labor disputes not attributable to the failure of the party claiming the benefit of a delay due to “Force Majeure” or any of its contractors (of any tier) to perform their obligations under any applicable labor contract or law; (ii) inability to obtain labor or materials, or reasonable substitutes therefor; (iii) acts of God, governmental action, condemnation, civil commotion, terrorism, riots, insurrection, war, fire, or other casualty; (iv) trouble in obtaining fuel, electricity, water, sewer, or telecommunication services or supplies from sources from which they are usually obtained, provided the party experiencing such trouble shall have used reasonable efforts to procure alternative sources; or (v) other conditions similar to those hereinabove enumerated beyond the reasonable control of the party obligated to perform; provided that the inability to pay shall not give rise to an event of Force Majeure. In order to claim the benefit of a delay due to “Force Majeure”, the party experiencing such event or circumstance must (a) notify the other party within a reasonable time period after such delay commences, and (b) use all reasonable and diligent efforts to minimize the duration of such delay and the effect of the delay upon the progress of construction of its respective work as described in this Work Letter.

3. **Initial Tenant Work:** Collectively, the improvements which Tenant wishes to make to the Premises, in addition to or in excess of the Base Building Work done or to be done by Landlord, to prepare the same for use and occupancy by Tenant for the Permitted Uses. A preliminary test fit plan of the Premises prepared for Tenant is attached hereto as **Exhibit C-2** and incorporated herein by reference. The Initial Tenant Work shall be shown in detail on the Tenant’s Plans.

4. Landlord's Allowance: An amount not to exceed One Hundred Sixty (\$160.00) Dollars per rentable square foot of area in the Premises, or a total of Five Million Five Hundred Twenty-Three Thousand Five Hundred Twenty (\$5,523,520.00) Dollars, to be paid by Landlord towards the cost of design and construction of the Initial Tenant Work, which amount shall be paid in the manner provided in this Work Letter.

5. Landlord's Representative: Mark Deschenes or any other representative appointed by Landlord of which Tenant is notified in accordance with the notice provisions of the Lease. Landlord's Representative shall be available to meet and consult with Tenant at the Building as Landlord's representative respecting the matters which are the subject of this Work Letter and shall, as between Landlord and Tenant, have the power to legally bind Landlord with respect to notices from Landlord making requests for and approving changes, giving approval of plans or work, or otherwise giving directions to Tenant under this Work Letter.

6. Punchlist: The list prepared by Tenant and Landlord in the manner described in Paragraph C.3(j) below.

7. Space Plan: A preliminary, detailed single-line space plan for the construction of all of the Initial Tenant Work, indicating or including (i) a floor layout, (ii) the location and dimensions of all interior Tenant partitions, laboratory equipment, hoods, acid neutralization tanks(s), and other machinery or equipment requiring a fixed connection to a Building System, (iii) location of all electrical, plumbing and telecommunications/data lines, pipes, cabling or conduits, (iv) layout and dimensions of all built-in or fixed-location furniture (including benches), and (v) any machinery, equipment or other installations to be affixed to the Premises, to the extent known to Tenant or Tenant's Architect (or its consultants) to require a long lead-time, and (vi) any other special requirements of Tenant. The Space Plan will be delivered by Tenant to Landlord within thirty (30) days after the Date of Lease.

8. Substantially Complete, Substantial Completion and Substantially Completed: The stage of construction of the Base Building Work or the Initial Tenant Work in the Premises (or such applicable portion thereof, as the case may be) at which (i) such construction shall have been completed in a good and workmanlike manner, using new (unless otherwise specified by the architect), first-class materials, in compliance with the requirements of the Lease and all applicable Legal Requirements, subject only to typical punchlist items and the balancing of systems requiring seasonal adjustments, (ii) Landlord's Architect or Tenant's Architect (as applicable) shall have issued a Certificate of Substantial Completion therefor, and (iii) with respect to the Initial Tenant Work, a certificate of occupancy (temporary or permanent) shall have been issued therefor by the Town of Watertown (the "**Certificate of Occupancy**") permitting Tenant's use and occupancy of the Premises (or such portion thereof) for the Permitted Uses.

9. Substantial Completion Date: The date on which Substantial Completion occurs.

10. Tenant's Architect: Jacobs Engineering Group, or such other architect registered in The Commonwealth of Massachusetts and experienced in the construction of tenant space improvements in buildings in the greater Boston area for use for the Permitted Uses, who shall be approved in writing in advance by Landlord (such approval not to be unreasonably withheld, delayed or conditioned), and who shall be responsible for the preparation of the Space Plan and the preparation and stamping of the Tenant's Plans.

11. Tenant's Contractor: PIDC Construction, or another qualified contractor/construction manager selected by Tenant and approved by Landlord for performance/management of the construction of the Initial Tenant Work (such approval not to be unreasonably withheld, delayed or conditioned). No subcontractor shall be permitted to enter upon the Premises for the purpose of performing any of the Initial Tenant Work unless Landlord has previously approved such subcontractor in writing to Tenant, which approval shall not be unreasonably withheld, delayed or conditioned.

12. Tenant's Plans: Collectively, the architectural drawings, structural drawings, mechanical, electrical and plumbing (MEP) drawings, fire protection/life safety drawings, and all other drawings, together with the accompanying specifications, for the Initial Tenant Work, as are required for the permitting and construction of the Initial Tenant Work, as the same may be modified from time to time thereafter in accordance with the provisions of Paragraph C.3(b) below. The Tenant's Plans shall comply with the provisions of the Lease, all applicable Title Matters, Legal Requirements and Insurance Requirements, and shall be complete and sufficiently detailed to enable Tenant to obtain all licenses, permits and approvals (including a building permit) required under any applicable Legal Requirement for the construction or use of the Premises for the Permitted Uses, as well as to enable Tenant's Contractor to construct the Initial Tenant Work to final completion thereof.

13. Tenant's Representative: Edward Freedman or any other single individual designated by Tenant in a written notice to Landlord (and who may be changed by Tenant at any time upon giving Landlord prior written notice thereof in accordance with the notice provisions of the Lease), who shall be available to meet and consult with Landlord at the Building as Tenant's representative respecting the matters which are the subject of this Work Letter and who shall have the power to legally bind Tenant with respect to notices from Tenant to Landlord making requests for and approving changes, giving approval of plans or work, or giving directions to Landlord under this Work Letter.

B. Base Building Work

1. Generally. Landlord shall construct the Base Building Work in substantial accordance with the Base Building Plans and Specifications listed on Exhibit C-1 attached hereto, with such changes as Landlord may determine in its reasonable discretion, subject to the provisions of Paragraph B.2 below. Landlord shall perform the Base Building Work at its sole cost and expense, in a good and workmanlike manner, using new materials of first quality, and shall comply with applicable Legal Requirements, Title Matters and Insurance Requirements. Landlord shall, at its sole cost and expense, obtain all licenses, permits and approvals required by any applicable Legal Requirement in connection with the construction of the Base Building Work. All Base Building Work shall be completed in accordance with applicable Insurance Requirements and in a lien-free manner.

2. Modifications to Base Building Work. Landlord may modify the design of Base Building Work from time to time so long as the Base Building Work remains consistent with the design standards for good quality office/laboratory buildings and any modification inside the Premises is approved in advance by Tenant, which approval shall not be unreasonably withheld, delayed or conditioned. Tenant agrees to provide any such approval within ten (10) days of request therefor by Landlord.

3. Lab Shell Specifications. Landlord shall deliver the Premises in accordance with the Lab Shell Specifications Tenant Landlord Matrix of Responsibility attached hereto as Exhibit C-3. All items identified on Exhibit C-3 with the exception of those listed there as "LL Post Delivery" items (if any) shall be completed by the Landlord upon delivery of the Premises to Tenant for the performance of the Initial Tenant Work. The completion of all items listed on Exhibit C-3 as LL Post Delivery items are dependent upon coordination with Tenant's Plans and shall be provided by Landlord in accordance with agreed upon specifications and locations during the performance of the Initial Tenant Work.

C. Initial Tenant Work

1. Generally. Tenant, at its sole cost and expense, but subject to the Landlord's Allowance, shall be responsible for the design, installation and construction of all of the Initial Tenant Work. Tenant's Contractor shall be permitted to commence the performance of Tenant's Initial Work upon the delivery of the Premises by Landlord to Tenant as described in Paragraph B.3 above. All construction work and installations conducted in connection with the Initial Tenant Work shall be done in a good and workmanlike manner using new, first-class materials, in compliance with the provisions of the Lease and all applicable Legal Requirements and Insurance Requirements, and shall be completed in a lien-free manner. Landlord shall pay up to Landlord's Allowance towards the cost of designing, constructing, supervising, managing and performing the Initial Tenant Work (including hard and soft costs) in the manner hereinafter provided; all costs in excess of Landlord's Allowance shall be the sole responsibility of Tenant. The design and construction of all Initial Tenant Work shall be subject to, and shall be performed in accordance with, the LEED Requirements.

2. Design of the Initial Tenant Work

- (a) Tenant shall be solely responsible for the preparation and completion of the Space Plan and all preliminary and final Tenant's Plans. In connection with the design of the Initial Tenant Work, Tenant and/or Tenant's Architect shall engage only reputable and experienced engineers registered or licensed and in good standing in the Commonwealth of Massachusetts, who shall be subject to Landlord's written approval (which approval shall not be unreasonably withheld, delayed or conditioned). Prior to the commencement of any design work, Tenant shall provide to Landlord an original certificate of insurance, in customary form, for Tenant's Architect and each engineer retained by Tenant or Tenant's Architect in connection with the design and/or construction of the Initial Tenant Work, which certificate shall evidence a current professional liability insurance policy as in effect, in an amount reasonably acceptable to Landlord.

- (b) Tenant shall deliver the Space Plan to Landlord for its review and approval no later than thirty (30) days after the Date of Lease. Landlord's Representative shall provide to Tenant within ten (10) Business Days after receipt of the Space Plan a list of corrections and modifications which Landlord requires to be made to the Space Plan. Promptly following approval of the Space Plan by Landlord, Tenant shall cause Tenant's Architect to prepare the preliminary Tenant's Plans for the Initial Tenant Work.
- (c) Tenant shall provide to Landlord and to Landlord's Representative a complete set of the preliminary Tenant's Plans (in both hard copy and in an electronic format reasonably acceptable to Landlord) promptly after they become available to Tenant. Landlord shall review the preliminary Tenant's Plans with reasonable diligence. Landlord shall provide to Tenant within fifteen (15) Business Days after receipt of a complete set of the preliminary Tenant's Plans a list of corrections and modifications which Landlord requires to be made to the Tenant's Plans.
- (d) Tenant shall revise the preliminary Tenant's Plans to incorporate the corrections and modifications requested by Landlord and shall submit final Tenant's Plans to Landlord for its approval. Landlord shall review the final Tenant's Plans as expeditiously as is reasonably possible. Within ten (10) Business Days after receipt by Landlord of a complete set of the final Tenant's Plans, Landlord shall either (a) notify Tenant that Landlord has approved the final Tenant's Plans, or (b) provide to Tenant a list of corrections and modifications which Landlord requires to be made to the Tenant's Plans in order to render the same consistent with either the Base Building Work or the preliminary Tenant's Plans previously approved by Landlord. In the event Landlord returns the Tenant's Plans to Tenant for correction or modification, Tenant shall diligently correct the Tenant's Plans and re-submit them to Landlord for review and approval pursuant to the preceding provisions of this paragraph. The foregoing submission process shall continue until Landlord has approved Tenant's Plans and upon such approval, the approved plans shall constitute the "Tenant's Plans."
- (e) Throughout the approval process for Tenant's Plans, Tenant shall use commercially reasonable and diligent efforts to cooperate with Landlord and/or Landlord's architect or engineers in responding to questions or requests for information or submissions regarding Tenant's design requirements for the Initial Tenant Work. Landlord's approval of Tenant's Plans (or any requested modification, amendment or alteration thereto) shall not be unreasonably withheld, conditioned or delayed so long as such plans do not (i) require any modification to any existing permits and approvals obtained by Landlord in connection with the Building, (ii) involve changes to structural components of the Building (floor penetrations typical for a lab such as Tenant's shall not constitute a change to a structural component of the Building) nor involve any exterior wall penetrations, or (iii) require any material modifications of the Building's structure or to any of its mechanical, electrical, plumbing, fire protection, or life-safety systems. All construction work proposed to be done by or on behalf of Tenant as part of the Initial Tenant Work which requires either roof penetrations or the performance of work on the roof of the Building shall, at Landlord's request, be performed by or supervised by Landlord's roofing contractor, or by a contractor otherwise reasonably approved by Landlord, and at Tenant's expense, in such a way so as to not void any roof warranties or guaranties issued or to be issued to Landlord in connection with the initial construction of the Building.

- (f) Submission of the Tenant's Plans to Landlord for review and approval shall be deemed a warranty by Tenant and Tenant's Architect that all work described in the Tenant's Plans (i) complies with the provisions of the Lease and the Condominium Documents and all applicable Legal Requirements and Insurance Requirements, (ii) is in all respects compatible with the structural, electrical, plumbing and mechanical components and systems of the Unit as shown on the Base Building Plans and Specifications, (iii) conforms to floor loading limits specified by Landlord, and (iv) with respect to all materials, equipment and special designs, processes, or products, to Tenant's and Tenant's Architect's actual knowledge, does not infringe on any patent or other proprietary rights of others.
- (g) Tenant acknowledges that it shall be solely responsible for the actions and omissions of its architects, engineers and contractors (of any tier) or for delays caused by its architects, engineers or contractors (of any tier). The review and/or approval by Landlord or Landlord's architect or engineers of any plans, sketches or Tenant's Plans submitted by Tenant shall not (i) constitute an opinion or representation or warranty by any approving party that the same are in compliance with the provisions of the Lease or all applicable Legal Requirements and Insurance Requirements, or as to the feasibility of constructing the work shown thereon, or (ii) impose on any approving party any responsibility for a design defect or coordination of any Tenant's Plans with any other Tenant's Plans, it being agreed that Tenant shall be solely responsible for the adequacy, accuracy, and completeness of Tenant's Plans and the compliance of the same with the provisions of the Lease and all applicable Legal Requirements and Insurance Requirements.

3. Construction of the Initial Tenant Work.

- (a) Commencement. After final approval of Tenant's Plans by Landlord and the delivery of the Premises to Tenant for the performance of the Initial Tenant Work, Tenant shall proceed promptly to commence and diligently complete construction of the Initial Tenant Work in accordance with Tenant's Plans and this Work Letter. Tenant's Contractor and its subcontractors shall be licensed in The Commonwealth of Massachusetts. Tenant shall furnish to Landlord a copy of the executed contract (from which confidential information may be redacted) and applicable detailed cost schedule (and applicable back-up material as reasonably requested by Landlord) between Tenant and Tenant's Contractor covering all of Tenant's obligations under this Work Letter. Tenant shall use commercially reasonable efforts to cause such work to be performed in as efficient a manner as is commercially reasonable.
- (b) Changes to Tenant's Plans. Following Landlord's final approval of Tenant's Plans, Tenant shall not materially modify, amend or alter Tenant's Plans without Landlord's prior written approval, and Landlord shall respond within seven (7) Business Days to Tenant's request. Landlord shall not unreasonably withhold, condition or delay such approval, subject to the provisions of Paragraph C.2(e).

above, which shall also apply to modifications, amendments or alterations of Tenant's Plans. Any deviation (other than immaterial changes that do not affect the quality or nature of the improvements or require an alteration to any Building System) from Tenant's Plans as approved by Landlord which is not corrected within thirty (30) days after Landlord gives written notice thereof to Tenant, shall constitute an Event of Default under the Lease.

- (c) Labor Relations. Tenant's Contractor and its subcontractors shall conduct their work and employ labor in such manner as to maintain harmonious labor relations and to coordinate their activities with Landlord's contractors so as not to interfere with Landlord or any other tenant or occupant of the Building. Tenant shall be responsible for, and shall reimburse Landlord, as Additional Rent, for, all actual costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with the breach by Tenant's Contractor or its subcontractors of such obligations.
- (d) Permits and Approvals. Tenant shall obtain all building and other permits and approvals necessary to perform the construction and installation of the Initial Tenant Work prior to the commencement of such work. The Initial Tenant Work shall not require any modification to any existing permits and approvals obtained by Landlord in connection with the Building.
- (e) Prior to Commencing the Initial Tenant Work. Prior to commencing construction of the Initial Tenant Work, Tenant shall deliver to Landlord (in addition to any other requirements under the Lease) the following:
 - i. The address of Tenant's Contractor, and the names of the subcontractors Tenant's Contractor intends to engage for the construction of the Initial Tenant Work, and Notices of Identification from each such entity pursuant to M.G.L. c.254, §4;
 - ii. A schedule for the construction of the Initial Tenant Work, showing the commencement date, the estimated Substantial Completion Date, and the estimated date of final completion;
 - iii. Certificates of insurance evidencing that Tenant and Tenant's Contractor have in effect (and shall maintain at all times during the course of the construction of Initial Tenant Work hereunder) the insurance coverages required under the Lease. Upon request, Tenant shall provide certificates of insurance from such subcontractors as are requested by Landlord; and
 - iv. An executed copy of the applicable building permit(s) and any other licenses, permits and approvals required by applicable Legal Requirements for the performance of such work.

- (f) Trash; Contractor Parking. During the construction of the Initial Tenant Work, trash relating to the Initial Tenant Work shall be removed from the Building on a daily basis, at Tenant's sole cost and expense, so as to leave the Premises in a safe condition. No trash or other debris or other waste may be deposited at any time outside the Premises or Building (other than in a dumpster provided for such purpose) by Tenant or its contractor, but if such is done, Landlord may remove it at Tenant's expense. Tenant shall be responsible for ensuring that Tenant's Contractor and its subcontractors and their respective employees park on the Land only in the areas designated by Landlord for such use.
- (g) Storage; Release and Indemnity. Storage of the construction materials, tools and equipment of Tenant's Contractor or any of its subcontractors shall be confined within the Premises in an area or areas designated by Landlord and which do not interfere with Landlord's ability to perform the LL Post Delivery items of work and which do not overload the floor of the Premises. In no event shall any materials or debris be stored outside of the Premises or the Unit unless authorized in writing by Landlord in advance. To the extent any of Tenant's equipment, fixtures, furniture, furnishings or other materials are stored or installed in the Premises or elsewhere in the Unit or in the Building, Tenant hereby releases Landlord for any and all liability therefor and agrees to indemnify and hold Landlord harmless from and against any and all liability, loss, claim, cause of action, damages, cost or expense (including, without limitation, reasonable attorneys' fees and costs) arising out of or in connection with loss or damage or destruction of any such equipment, fixtures, furnishings or other materials, unless such loss, damage or destruction is caused by the negligence or willful misconduct of Landlord or its employees, agents or contractors.
- (h) Performance of Initial Tenant Work. Tenant shall comply with and perform, and shall cause Tenant's Contractor and their respective employees, agents, subcontractors, material suppliers and laborers to comply with and perform, all of Tenant's obligations under this Work Letter and the Lease to the extent applicable to the performance of such work. If Tenant's construction during normal construction hours unreasonably and materially disturbs other tenants in the Building, in Landlord's reasonable discretion, Landlord may require Tenant to stop performance of those portions of the Initial Tenant Work so disturbing other tenants during normal construction hours and to perform the same after normal construction hours.
- (i) Substantial Completion. Tenant shall give Landlord at least ten (10) days' prior notice of the anticipated Substantial Completion Date with respect to the Initial Tenant Work (or applicable portion thereof). If any of such dates do not occur on the initially designated date, Tenant shall keep Landlord informed of the applicable anticipated date.
- (j) Punchlist. Within seven (7) Business Days of Substantial Completion of the Initial Tenant Work, Tenant, Tenant's Architect, Tenant's Contractor and Landlord shall schedule a meeting(s) to jointly inspect the Initial Tenant Work in order to identify those incomplete items or unfinished details that will be part of the Punchlist for the Initial Tenant Work. Such Punchlist items shall be completed by Tenant as soon as practicable thereafter and in any event not later than thirty (30) days following the preparation of the applicable Punchlist (except for such item(s) that by its nature or due to circumstances beyond the reasonable control of Tenant cannot be completed within such thirty (30) day period).

- (k) Final Completion. Upon final completion of the Initial Tenant Work, Tenant shall furnish Landlord:
- i. A temporary or permanent Certificate of Occupancy issued by the Town of Watertown and all other governmental approvals, if any, necessary to permit the use and occupancy of the Premises for the Permitted Uses; provided, however, if final completion of the Initial Tenant Work occurs on the basis of a temporary Certificate of Occupancy, Tenant shall diligently prosecute the issuance of a permanent unconditional Certificate of Occupancy by the Town of Watertown until the same is issued;
 - ii. A notarized affidavit from Tenant's Contractor that all amounts due for work done and materials furnished in completing the Initial Tenant Work have been paid;
 - iii. Final releases of liens reasonably satisfactory in form and substance to Landlord from Tenant's Architect, such engineers engaged by Tenant's architect as are designated by Landlord, Tenant's Contractor, and all subcontractors or material suppliers that have been involved in the performance of the Initial Tenant Work;
 - iv. Complete sets of as-built plans in modifiable AutoCAD format; and
 - v. Copies of all warranties relating to any portion or component of the Initial Tenant Work.
- (l) Damage to Base Building. Tenant shall, at its sole cost and expense, promptly repair any damage to the Building caused by Tenant or its contractors (of any tier) during performance of the Initial Tenant Work, including patching and painting the finishes of the Unit or the Building where so damaged, all of which work shall be done to Landlord's reasonable satisfaction. Tenant shall also be responsible for the cost of any alterations to the Unit or the Building required as a result of the Initial Tenant Work.
- (m) Indemnity. Except to the extent arising out of the negligence or willful misconduct of Landlord or its employees, agents or contractors, Tenant shall indemnify and hold harmless Landlord, its agents, and employees from and against any and all costs, expenses, damages, losses, claims or liabilities, including, but not limited to, reasonable attorneys' fees and costs, which arise out of, are occasioned by, or are in any way attributable to either (i) the design of any portion of the Initial Tenant Work or (ii) the performance by Tenant or Tenant's Contractor or any of its subcontractors of any portion of the Initial Tenant Work.

4. Payment of Costs for Initial Tenant Work; Landlord's Allowance.

- (a) Subject to the Landlord's Allowance set forth herein, Tenant shall pay all of the costs and expenses of the Initial Tenant Work (which cost shall include, without limitation, the costs of construction, the cost of permits and permit expediting, and all architectural and engineering services obtained by Tenant in connection therewith). The Landlord's Allowance may be utilized for (i) so-called "hard" costs of the Initial Tenant Work pursuant to Tenant's Plans, together with costs and expenses related to data/telecommunications cabling and signage at the Property, (ii) so-called "soft" costs, including architectural and design costs and construction management fees. Provided that Tenant engages a professional project management team to supervise the construction of the Initial Tenant Work (such as the RJ Donovan Group), Landlord shall not charge any construction supervision fee; but if Tenant fails to so engage a professional project management team, then Landlord shall be entitled to a construction supervision fee equal to 10% of the hard costs of construction of the Initial Tenant Work, payable out of the Landlord Allowance.
- (b) So long as Tenant is not in default of the Lease beyond any applicable notice and cure period, payment of the Landlord's Allowance shall be paid by Landlord to Tenant, based upon requests for payment submitted by Tenant and approved by Landlord (Landlord agreeing that if a default is subsequently cured within the time frames set forth in the Lease, payment of the Landlord's Allowance shall be made as otherwise set forth herein). Tenant shall submit such requests for payment, not more often than monthly, by the first day of the month for work completed during the previous month. Tenant understands and acknowledges that Landlord will be requesting funding from its construction lender to make such payments to Tenant, and that any delay in providing such request for payment in a timely manner may result in a delay in processing such application in any given month. Each request for payment shall be accompanied by a written certification by Tenant's Architect to Landlord, in form and content reasonably satisfactory to Landlord, that all work up to the date of the request for payment has been completed, along with the releases (partial or complete) of liens from Tenant's Contractor and all subcontractors and materials suppliers for all work done and materials furnished up to the date of Tenant's request for payment, along with any other supporting documentation reasonably required by Landlord in connection therewith. So long as Tenant provides its request for payment and all backup information within the timeframe required, Landlord shall pay to Tenant, within thirty (30) days after submission of such items to Landlord, an amount equal to Landlord's pro-rata share of the approved amount of each such request for payment. "**Landlord's pro-rata share**" shall mean the percentage that the Landlord's Allowance bears to the total cost of the Initial Tenant Work. Landlord's pro-rata share may be reviewed and reasonably recalculated by Landlord from time to time and upon any cumulative upgrade/change orders to the Initial Tenant Work, the necessary credits or payments shall be made by either Landlord or Tenant to bring the amount paid under the Landlord's Allowance into compliance with the revised pro-rata share. Any and all costs for the construction of the Premises above the Landlord's Allowance shall be paid by Tenant to the applicable contractors, subcontractors, and material suppliers. Landlord reserves the right to make any payment (or portion thereof) of the Landlord's Allowance payable jointly to Tenant and Tenant's Contractor (or a subcontractor or supplier) or directly to Tenant's Contractor or such subcontractor or supplier.

- (c) Landlord shall have no further obligation to make any disbursement from Landlord's Allowance in response to any disbursement request submitted by Tenant to Landlord more than four (4) months after the final completion of the Initial Tenant Work.
- (d) In addition to providing Landlord's Allowance, Landlord shall provide an allowance of up to \$0.10 per square foot of rentable area in the Premises (or a total of Three Thousand Four Hundred Fifty-Three (\$3,453.00) Dollars) towards the cost of the preparation of a test fit plan for Tenant.

5. Coordination with Landlord's Work.

- (a) Tenant acknowledges that its contractors will be performing the Initial Tenant Work while Landlord is performing portions of the Base Building Work within the Premises or elsewhere in the Building (including the LL Post-Delivery items shown on **Exhibit C-3** attached hereto (if any)). Each party shall cooperate as reasonably requested by the other party so that the work of the other party may be performed in a timely and efficient manner; *provided, however*, that where scheduling or other conflicts exist and cannot be resolved to the parties' reasonable satisfaction, priority shall be given to the performance of the Base Building Work (including the LL Post-Delivery items shown on **Exhibit C-3** attached hereto (if any)) over the Initial Tenant Work. Without limitation and notwithstanding the foregoing, Tenant shall not allow Tenant's Contractor or any of its subcontractors to damage, interfere with or impede the work to be performed by Landlord (any such labor disharmony, damage, interference or impedance (including, without limitation, that caused by labor disharmony between Tenant's Contractor and any of its subcontractors, on the one hand, and Landlord's Contractor and any of its subcontractors, on the other hand) which occurs and which continues for more than twenty-four (24) hours after written notice thereof shall be a "**Construction Interference**"). Should any Construction Interferences occur, then notwithstanding anything herein or in the Lease to the contrary, the same shall constitute a Tenant Delay and Tenant shall be responsible for all costs, damages, claims, losses and liabilities suffered by Landlord arising out of any such Construction Interferences.
- (b) In furtherance of assuring coordination of the work of Tenant's Contractor and its subcontractors with Landlord's work (and the work of other tenants in the Building), Tenant shall advise Landlord reasonably in advance of the activities of Tenant's Contractor and its subcontractors and Landlord will prepare a coordination plan with appropriate schedules to accommodate equitably the reasonable needs of all parties whose activities need to be coordinated. Landlord and Tenant shall cause their respective contractors to cooperate in implementing such plan to the end that the work of both may be effected in a timely, efficient and cost-effective manner. Any work to be performed outside of the Premises shall be coordinated with Landlord, and shall be subject to reasonable scheduling

requirements of Landlord. Any requirements of Tenant's Contractor for services from Landlord or Landlord's contractor, such as hoisting, electrical or mechanical needs, shall be paid for in advance by Tenant and arranged between Tenant's Contractor and Landlord or Landlord's contractor at the rates then charged by Landlord or Landlord's contractor. Tenant acknowledges that all other tenants requiring the use of freight elevators and temporary hoists shall have joint access to such facilities and that the parties shall use reasonable efforts to coordinate such joint access to avoid conflicts, *provided, however*, that in the event of any conflicts, Tenant shall be not be entitled to more than Tenant's Pro Rata Share compared to the pro rata shares of those tenants who have need for the services and equipment in question, on a daily basis, of access to and use of such facilities.

EXHIBIT C-1

LIST OF BASE BUILDING PLANS AND SPECIFICATIONS

[See attached pages]

ARSENAL YARDS BUILDING A

Boylston Properties

485 Arsenal St,
Watertown, MA 02472



PROJECT TEAM:

CLIENT
Boylston Properties
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617.262.4646

ARCHITECT
SGA
200 High Street
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857.300.2610

STRUCTURAL ENGINEER
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Braintree, MA 02184
781.843.2863

MEP
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Boston MA, 02129
617.523.8227

CODE CONSULTANT
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Holliston, MA 01746
508-397-8417

CONTRACTOR
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Milford, MA 01757
508.381.6100



ARCHITECTURE |
PLANNING
INTERIOR DESIGN | VDC
BRANDED ENVIRONMENTS

BOSTON
200 HIGH ST
BOSTON, MA, 02110

SGA-ARCH.COM
857.300.2610

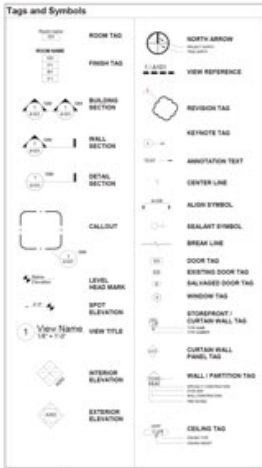
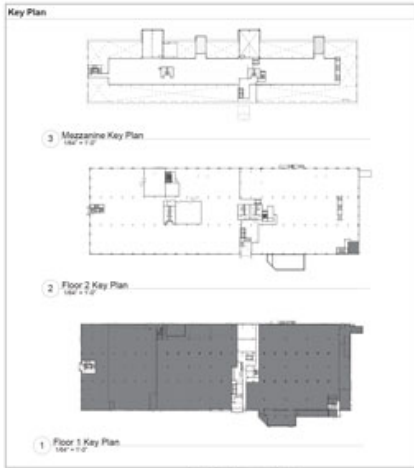
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11/15/18

ARSENAL YARDS BUILDING
A

485 Arsenal St, Watertown,
MA 02472

Boylston Properties

Project No 4303.00
11/15/18
**CONSTRUCTION
DOCUMENTS**



Drawing List

| Sheet Number | Sheet Name | Author | Checked | Approved |
|--------------|------------|--------|---------|----------|
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PROJECT TITLE:
CLIENT:
Business Properties
660 Boston Street
Waltham, MA 02451
617.251.4667

STRUCTURAL ENGINEERS
Project & Business Engineers
660 Boston Street
Waltham, MA 02451
617.251.4667

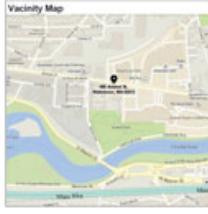
SEA SIGNATURE

PROJECT:
ARSENAL YARDS
BUILDING A
430 Arsenal St, Waltham, MA 02472
DayStation Properties

REVISIONS:
 No. Date Description

SUBMISSIONS:
 Date Issued For: _____
 Status: _____
 Status: _____
 Status: _____

SCALE: As indicated
DATE PLOTTED: 11/01/18
PROJECT NO.: 450148
DRAWN BY: JG
CHECKED BY: JG
ISSUED TITLE:
Drawing List/ Symbols/ Abbreviations/ Building Key
G-001



Abbreviations

| | |
|----|--------------------------------|
| AC | Acoustical Ceiling |
| AD | Architectural Detail |
| AE | Architectural Elevation |
| AF | Architectural Finish |
| AG | Architectural Glass |
| AH | Architectural Hardware |
| AI | Architectural Insulation |
| AJ | Architectural Joinery |
| AK | Architectural Kitchens |
| AL | Architectural Lighting |
| AM | Architectural Masonry |
| AN | Architectural Notes |
| AO | Architectural Openings |
| AP | Architectural Panels |
| AQ | Architectural Partitions |
| AR | Architectural Ramps |
| AS | Architectural Stairs |
| AT | Architectural Tiles |
| AU | Architectural Units |
| AV | Architectural Vanities |
| AW | Architectural Windows |
| AX | Architectural Woodwork |
| AY | Architectural Yards |
| AZ | Architectural Zones |
| BA | Basement |
| BB | Basement Foundation |
| BC | Basement Slab |
| BD | Basement Wall |
| BE | Basement Window |
| BF | Basement Door |
| BG | Basement Stair |
| BH | Basement Ramp |
| BI | Basement Partition |
| BJ | Basement Panel |
| BK | Basement Hardware |
| BL | Basement Insulation |
| BM | Basement Glass |
| BN | Basement Masonry |
| BO | Basement Openings |
| BP | Basement Panels |
| BQ | Basement Partitions |
| BR | Basement Ramps |
| BS | Basement Stairs |
| BT | Basement Tiles |
| BU | Basement Units |
| BV | Basement Vanities |
| BW | Basement Windows |
| BX | Basement Woodwork |
| BY | Basement Yards |
| BZ | Basement Zones |
| CA | Ceiling |
| CB | Ceiling Acoustical |
| CC | Ceiling Access |
| CD | Ceiling Detail |
| CE | Ceiling Elevation |
| CF | Ceiling Finish |
| CG | Ceiling Glass |
| CH | Ceiling Hardware |
| CI | Ceiling Insulation |
| CJ | Ceiling Joinery |
| CK | Ceiling Kitchens |
| CL | Ceiling Lighting |
| CM | Ceiling Masonry |
| CN | Ceiling Notes |
| CO | Ceiling Openings |
| CP | Ceiling Panels |
| CQ | Ceiling Partitions |
| CR | Ceiling Ramps |
| CS | Ceiling Stairs |
| CT | Ceiling Tiles |
| CU | Ceiling Units |
| CV | Ceiling Vanities |
| CW | Ceiling Windows |
| CX | Ceiling Woodwork |
| CY | Ceiling Yards |
| CZ | Ceiling Zones |
| DA | Door |
| DB | Door Detail |
| DC | Door Elevation |
| DD | Door Finish |
| DE | Door Glass |
| DF | Door Hardware |
| DG | Door Insulation |
| DH | Door Joinery |
| DI | Door Kitchens |
| DJ | Door Lighting |
| DK | Door Masonry |
| DL | Door Notes |
| DM | Door Openings |
| DN | Door Panels |
| DO | Door Partitions |
| DP | Door Ramps |
| DQ | Door Stairs |
| DR | Door Tiles |
| DS | Door Units |
| DT | Door Vanities |
| DU | Door Windows |
| DV | Door Woodwork |
| DW | Door Yards |
| DX | Door Zones |
| EA | Existing |
| EB | Existing Detail |
| EC | Existing Elevation |
| ED | Existing Finish |
| EE | Existing Glass |
| EF | Existing Hardware |
| EG | Existing Insulation |
| EH | Existing Joinery |
| EI | Existing Kitchens |
| EJ | Existing Lighting |
| EK | Existing Masonry |
| EL | Existing Notes |
| EM | Existing Openings |
| EN | Existing Panels |
| EO | Existing Partitions |
| EP | Existing Ramps |
| EQ | Existing Stairs |
| ER | Existing Tiles |
| ES | Existing Units |
| ET | Existing Vanities |
| EU | Existing Windows |
| EV | Existing Woodwork |
| EW | Existing Yards |
| EX | Existing Zones |
| FA | Floor |
| FB | Floor Detail |
| FC | Floor Elevation |
| FD | Floor Finish |
| FE | Floor Glass |
| FF | Floor Hardware |
| FG | Floor Insulation |
| FH | Floor Joinery |
| FI | Floor Kitchens |
| FJ | Floor Lighting |
| FK | Floor Masonry |
| FL | Floor Notes |
| FM | Floor Openings |
| FN | Floor Panels |
| FO | Floor Partitions |
| FP | Floor Ramps |
| FQ | Floor Stairs |
| FR | Floor Tiles |
| FS | Floor Units |
| FT | Floor Vanities |
| FU | Floor Windows |
| FV | Floor Woodwork |
| FW | Floor Yards |
| FX | Floor Zones |
| GA | Garage |
| GB | Garage Detail |
| GC | Garage Elevation |
| GD | Garage Finish |
| GE | Garage Glass |
| GF | Garage Hardware |
| GG | Garage Insulation |
| GH | Garage Joinery |
| GI | Garage Kitchens |
| GJ | Garage Lighting |
| GK | Garage Masonry |
| GL | Garage Notes |
| GM | Garage Openings |
| GN | Garage Panels |
| GO | Garage Partitions |
| GP | Garage Ramps |
| GQ | Garage Stairs |
| GR | Garage Tiles |
| GS | Garage Units |
| GT | Garage Vanities |
| GU | Garage Windows |
| GV | Garage Woodwork |
| GW | Garage Yards |
| GX | Garage Zones |
| HA | Handicap Accessible |
| HB | Handicap Accessible Detail |
| HC | Handicap Accessible Elevation |
| HD | Handicap Accessible Finish |
| HE | Handicap Accessible Glass |
| HF | Handicap Accessible Hardware |
| HG | Handicap Accessible Insulation |
| HH | Handicap Accessible Joinery |
| HI | Handicap Accessible Kitchens |
| HJ | Handicap Accessible Lighting |
| HK | Handicap Accessible Masonry |
| HL | Handicap Accessible Notes |
| HM | Handicap Accessible Openings |
| HN | Handicap Accessible Panels |
| HO | Handicap Accessible Partitions |
| HP | Handicap Accessible Ramps |
| HQ | Handicap Accessible Stairs |
| HR | Handicap Accessible Tiles |
| HS | Handicap Accessible Units |
| HT | Handicap Accessible Vanities |
| HU | Handicap Accessible Windows |
| HV | Handicap Accessible Woodwork |
| HW | Handicap Accessible Yards |
| HX | Handicap Accessible Zones |
| IA | Interior |
| IB | Interior Detail |
| IC | Interior Elevation |
| ID | Interior Finish |
| IE | Interior Glass |
| IF | Interior Hardware |
| IG | Interior Insulation |
| IH | Interior Joinery |
| II | Interior Kitchens |
| IJ | Interior Lighting |
| IK | Interior Masonry |
| IL | Interior Notes |
| IM | Interior Openings |
| IN | Interior Panels |
| IO | Interior Partitions |
| IP | Interior Ramps |
| IQ | Interior Stairs |
| IR | Interior Tiles |
| IS | Interior Units |
| IT | Interior Vanities |
| IU | Interior Windows |
| IV | Interior Woodwork |
| IW | Interior Yards |
| IX | Interior Zones |
| JA | Joist |
| JB | Joist Detail |
| JC | Joist Elevation |
| JD | Joist Finish |
| JE | Joist Glass |
| JF | Joist Hardware |
| JG | Joist Insulation |
| JH | Joist Joinery |
| JI | Joist Kitchens |
| JJ | Joist Lighting |
| JK | Joist Masonry |
| JL | Joist Notes |
| JM | Joist Openings |
| JN | Joist Panels |
| JO | Joist Partitions |

PROJECT MANUAL

**ARSENAL YARDS
485 ARSENAL STREET
WATERTOWN, MA**

NOVEMBER 15, 2018

ARCHITECT
SPAGNOLO GISNESS & ASSOCIATES, INC.
200 High Street
Boston, MA 02110
www.sga-arch.com

PROJECT MANUAL

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Section 124810 Entrance Floor Grilles
Section 129310 Bicycle Racks

DIVISION 14 - CONVEYING EQUIPMENT

Section 142100 Electric Traction Elevators

DIVISION 21 - FIRE SUPPRESSION

Section 210000 Fire Protection

DIVISION 22 - PLUMBING

Section 220000 Plumbing

DIVISION 23 - HEATING VENTILATING AND AIR CONDITIONING

Section 230000 Heating, Ventilating and Air-Conditioning

DIVISION 26 - ELECTRICAL

Section 260000 Electrical

DIVISION 31 - EARTHWORK

DIVISION 32 - EXTERIOR IMPROVEMENTS

DIVISION 33 - UTILITIES

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EXHIBIT C-2

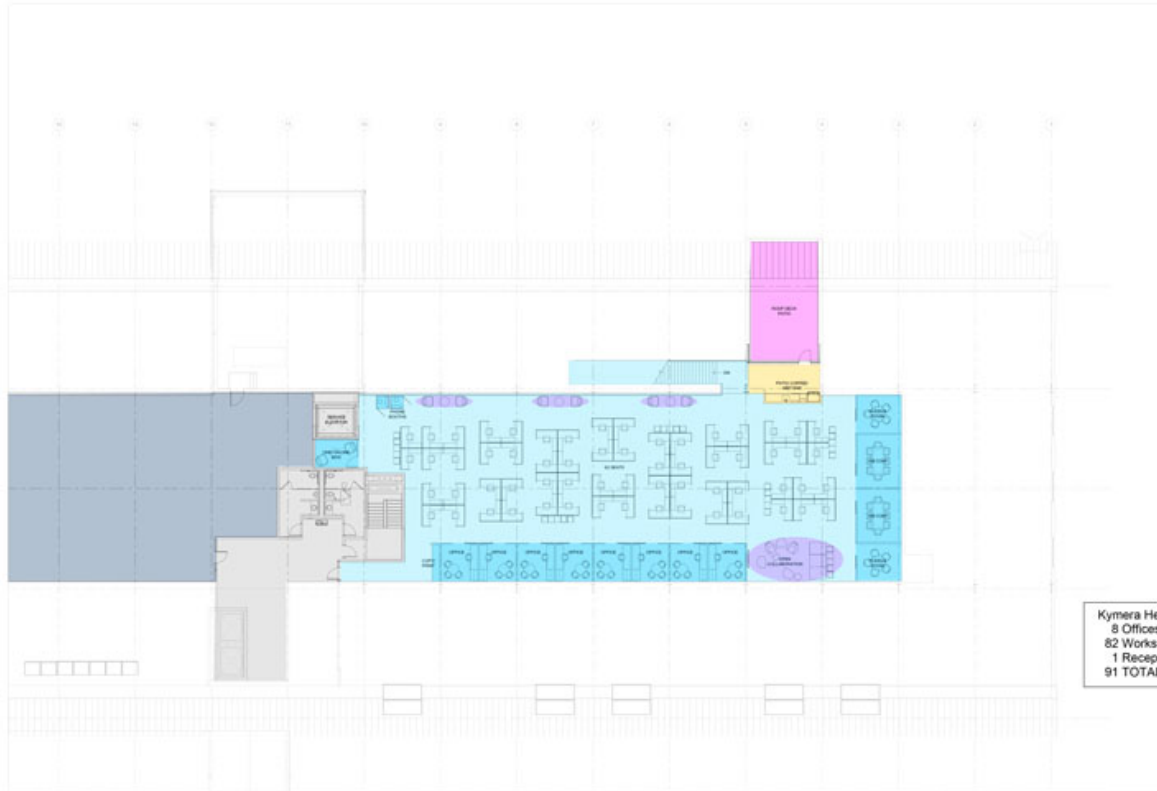
PRELIMINARY TEST-FIT PLAN FOR THE PREMISES

[To be prepared]



Kymera Headcount:
 8 Offices
 82 Workstations
 1 Receptionist
 91 TOTAL

Subtenant Headcount:
 0 Offices
 64 Workstations
 1 Receptionist
 65 TOTAL



Kymera Headcount:
 8 Offices
 82 Workstations
 1 Receptionist
 91 TOTAL

EXHIBIT C-3

LAB SHELL SPECIFICATIONS
TENANT LANDLORD MATRIX OF RESPONSIBILITY

[See attached pages]

LAB SHELL SPECIFICATIONS
TENANT LANDLORD MATRIX OF RESPONSIBILITY – ARSENAL YARDS

Arsenal Street
Watertown, MA
Boylston Properties
April 2019

| DESCRIPTION | RESPONSIBILITY | | |
|--|----------------|--------|------------------|
| | Landlord | Tenant | LL Post Delivery |
| BASE BUILDING AND PERMITTING | | | |
| Building Core & Shell shall be LEED certifiable | X | | X |
| Landlord to provide parking | X | | X |
| Base Building Permits and approvals for site and Core & Shell | X | | |
| Permits and approval for demising and LL Lab Shell work | X | | X |
| Permits and approvals for Tenant buildout | | X | |
| SITework | | | |
| Perimeter sidewalks, street curbs, miscellaneous site furnishings and landscaping | X | | X |
| Outdoor furniture for use by building occupants | X | | X |
| Telephone and internet service to main demarcation room from local exchange carrier | X | | X |
| Domestic sanitary sewer connection to street | X | | |
| Waste sewer connection (useable by Lab) | X | | X |
| Roof storm drainage | X | | X |
| Primary and secondary electrical service | X | | X |
| Gas service | X | | X |
| Gas service- from meter to tenant space | | X | |
| Domestic water service to Building | X | | X |
| Fire protection water service to Building | X | | X |
| LANDSCAPING | | | |
| Complete site improvements package, including design and installation | X | | X |
| Landscape plans to include location, species, and sizes of trees, shrubs, groundcovers, flowering plants, ornamental flowering trees and coniferous evergreen trees. All plantings shall be of specimen quality. | X | | |
| Hardscape plans shall include walkways, driveways, curbing, exterior lighting, and non-Tenant signage. Design and site improvements materials shall be of Class A Building quality. | X | | X |
| STRUCTURE | | | |
| Reinforced concrete slabs with live load capacity of 75 psf (typical 2 nd floor areas areas) and 100 psf at the mezzanine. | X | | X |
| Reinforced concrete slabs with 150 psf loading capacity in mechanical spaces | X | | X |
| Structural enhancements for specific Tenant load requirements | | X | |
| Upgrade structural reinforcing for Tenant's vibration limitations | | X | |
| Typical Floor to floor height framing, per plans, subject to final design | X | | X |
| Column bay spacing: as designed | X | | X |
| Structural framing dunnage above roof for Base Building equipment including LL provided MAUI & EFs | X | | X |

| DESCRIPTION | RESPONSIBILITY | | |
|--|----------------|--------|------------------|
| | Landlord | Tenant | LL Post Delivery |
| Structural framing dunnage above roof for Tenant equipment subject to Landlord review and approval | | X | |
| Framed openings for Base Building utility risers | X | | X |
| Framed openings for common vertical mechanical shafts. | X | | X |
| Framed openings for Tenant utility risers in addition to Base Building within pre-allocated Base Building areas subject to Landlord review and approval | | X | |
| Miscellaneous metals items and/or concrete pads for Base Building equipment | X | | X |
| Miscellaneous metals items and/or concrete pads for Tenant equipment | | X | |
| Fireproofing as required to provide applicable code compliant rating for control areas | X | | X |
| ROOFING | | | |
| Existing to remain standing seam roof, modified as required for new equipment and skylights. | X | | X |
| Roofing penetrations for Base Building equipment/systems including LL provided MAUs & EFs | X | | X |
| Roofing penetrations for Tenant equipment/systems, installed by Base Building roofing subcontractor | | X | |
| Walkway pads to Base Building equipment | X | | |
| Walkway pads to Tenant equipment | | X | |
| Roofing alterations due to Tenant changes installed by Base Building roofing subcontractor | | X | |
| EXTERIOR | | | |
| Building exterior envelope | X | | |
| Base Building entrances | X | | |
| Building mounted signage and/or ground mounted exterior signage for Tenant identification (subject to town approval) | | X | |
| Screen enclosure for Base Building rooftop equipment incl. LL provided MAUs and EFs | X | | X |
| Screen enclosure for Tenant rooftop equipment (not within base building screen) | | X | |
| COMMON AREAS | | | |
| Accessible main entrance. Entrance vestibules will include accessible full glass narrow stile aluminum framed entrance doors with integrated security hardware, and recessed walk-off grid floor. | X | | X |
| Egress corridors at first floor lobby/locker area and second floor (multi-tenant) | X | | X |
| First floor finished lobby | X | | X |
| Core area toilet rooms. Floors and base shall be porcelain tile. Full height ceramic tile shall be provided on wet walls. All other wall surfaces shall be painted drywall. Lavatory counters shall be solid surface with under-mount vitreous china sinks, and mirror above lavatory counters to the ceiling height. Stainless steel toilet enclosures shall be floor mounted, steel panel construction with a stainless-steel finish. Toilet room accessories shall be similar or equal to those manufactured by | X | | X |

| DESCRIPTION | RESPONSIBILITY | | |
|---|----------------|--------|------------------|
| | Landlord | Tenant | LL Post Delivery |
| Bobrick Company, all in accordance with handicapped accessibility regulations. | | | |
| Bicycle storage with male and female shower and locker room facilities adjacent to 1 st and/or 2 nd floor lobby, subject to final design | X | | X |
| Shower rooms shall utilize finishes similar to core area toilet rooms | X | | X |
| Walls in toilet rooms, stairways, and Base Building utility rooms shall have a final paint finish | X | | |
| Painted metal railings in all stairways | X | | X |
| Interior signage for all Base Building rooms (as required by Code) | X | | X |
| Janitor’s closets in common core areas | X | | X |
| Electrical closets in core areas. Electrical closets can be used for Tenant- provided electrical equipment, subject to coordination with Base Building equipment, and conformance to all Code requirements. | X | | X |
| IDF connected to demarcation room | X | | X |
| Demarcation room | X | | X |
| Doors, frames, and hardware at common areas | X | | X |
| ELEVATORS | | | |
| (2) single sided common passenger elevators; 4,000 lb., 150 FPM. Each serves floor’s 1, 2 and Mezzanine. | X | | X |
| One (1) 4,000 lb. common service elevator for Lab use as required | X | | X |
| WINDOW TREATMENT | | | |
| Furnish and install Building Standard window treatment including blocking in Tenant areas. Building Standard is horizontal mini-blinds, 1” wide blades, similar or equal to those manufactured by Level or (color TBD). | | X | |
| Window sills as applicable in Tenant areas | | X | |
| TENANT AREAS | | | |
| Drywall and finishes at inside face of exterior walls (fire-rated) | X | | X |
| Drywall and finishes at inside face of exterior walls (non fire-rated) | | X | |
| Finishes at Tenant side of core partitions | | X | |
| Tenant Premises HVAC and Plumbing Rooms | | X | |
| Electrical closets within Tenant Premises | | X | |
| Tel/data rooms for interconnection with Tenant tel/data | X | | |
| Tenant kitchen areas | | X | |
| Modifications to core areas to accommodate Tenant requirements | | X | |
| Partitions, ceilings, flooring, painting, finishes, doors, frames, hardware, millwork, casework, and build-out | | X | |
| Fixed or movable casework/millwork | | X | |
| Laboratory Equipment including, but not limited to, biosafety cabinets, autoclaves, glasswashers, bioreactors. | | X | |
| Chemical Fume Hoods, bench fume hood, lab casework | | X | |
| Shaft enclosures for Base Building systems’ risers | X | | |

LAB TENANT RESPONSIBILITY MATRIX – ARSENAL YARDS

Arsenal Street
Watertown, MA
Boylston Properties

| DESCRIPTION | RESPONSIBILITY | | |
|--|----------------|--------|------------------|
| | Landlord | Tenant | LL Post Delivery |
| Shaft enclosures for Tenant risers within allocated space in the main vertical Base Building shafts, installed in accordance with Base Building schedule | X | | X |
| Shaft enclosures for Tenant risers outside of the allocated space in the main vertical Base Building shafts | | X | |
| All interior signage for Tenant Premises | | X | |
| Sound attenuation upgrades for tenant premises in order to comply with tenants acoustical criteria and design of tenant areas | | X | |
| FIRE PROTECTION | | | |
| Fire service entrance including fire department connection, alarm valve, and back flow protection | X | | X |
| Base Building area distribution piping and up-turned sprinkler heads | X | | X |
| Stair distribution piping and sprinkler heads | X | | X |
| Primary distribution and sprinkler heads adequate to support ordinary hazard (with upturned heads) | X | | X |
| All run outs, drop heads, and related equipment within Tenant Premises | | X | |
| Modification of sprinkler piping and head locations to suit Tenant layout and hazard index | | X | |
| Specialized extinguishing systems | | X | |
| Pre-action dry-pipe systems (if required) within Tenant Premises | | X | |
| Fire extinguisher cabinets within Base Building areas | X | | X |
| Fire extinguisher cabinets within Tenant Premises | | X | |
| Standpipes, distribution and hose connections within egress stairs, garage and lobby | X | | X |
| Additional hose connections within Tenant Premises, including distribution piping | | X | |
| PLUMBING | | | |
| Domestic water distribution within Tenant Premises including reduced pressure backflow preventer | | X | |
| Domestic water service with backflow prevention, main service entrance meter and Base Building risers | X | | X |
| 2" valved connection in each tenant space, tenant design allotment is 80 WSFU | X | | X |
| Tenant water booster pumps as needed | | X | |
| Tenant space isolation (reduced pressure backflow preventer) | | X | |
| Submeter with remote reader for Tenant potable water within the Premises | | X | |
| Base Building restroom plumbing fixtures compliant with accessibility requirements | X | | X |
| Wall hydrants within Base Building areas (where required by Code) | X | | X |
| Storm drainage system | X | | X |
| Sanitary waste and vent service for Base Building areas | X | | X |
| Sanitary waste and vent service for Tenant Premises | | X | |
| Hot water generation for Base Building restrooms | X | | X |
| Two stage active pH neutralization system | | X | |
| Lab waste and vent pipe risers | | X | |

LAB TENANT RESPONSIBILITY MATRIX – ARSENAL YARDS

Arsenal Street
Watertown, MA
Boylston Properties

| DESCRIPTION | RESPONSIBILITY | | |
|---|----------------|--------|------------------|
| | Landlord | Tenant | LL Post Delivery |
| Lab waste and vent pipe distribution serving Tenant Premises | | X | |
| Non-potable Hot water generation for Tenant use | | X | |
| Central lab air compressor | | X | |
| Compressed air piping risers and distribution | | X | |
| Central Lab vacuum system | | X | |
| Tepid water pipe risers | | X | |
| Tepid water pipe distribution in tenant spaces | | X | |
| RO/DI water generator | | X | |
| RO/DI water pipe risers | | X | |
| Hot water generation for tenant spaces (outside base building restrooms) | | X | |
| NATURAL GAS | | | |
| Natural gas service to Building – Intermediate Pressure 3psi min. | X | | X |
| Natural gas service to Base Building boilers plant as necessary to support lab MAUs and reheat | X | | X |
| Natural gas service, pressure regulator and meter for Tenant equipment. LL to provide tie in to gas manifold for tenant use. | | X | |
| Natural gas piping from Tenant meter to Tenant Premises or Tenant equipment area | | X | |
| Natural gas pipe distribution within Tenant Premises | | X | |
| HEATING, VENTILATION, AIR CONDITIONING | | | |
| Central gas fired boiler plant, Central Chiller plant | X | | X |
| Hot water pipe risers (valved and capped connections at tenant premises) | X | | X |
| Hot water pipe distribution within Tenant Premises | | X | |
| Central Chiller Plant | X | | X |
| BTU and flow meter from common HW loop into Tenant Premises (1 meter per premises) | X | | X |
| Additional BTU and flow meter to Tenant premises if required. | | X | |
| Reheat coils within Tenant Premises | | X | |
| Reheat coils within Base Building areas | X | | X |
| Building Management System (BMS) for Base Building and LL provided including boiler expansion, MAUs and EFs | X | | X |
| BMS (compatible with Landlord’s system) within Tenant Premises monitoring Tenant infrastructure | | X | |
| Supply and return air duct distribution, VAV terminals, equipment connections, insulation, air terminals, dampers, hangers, etc. within Tenant Premises | | X | |
| Supply air and return duct distribution, VAV terminals, equipment connections, insulation, air terminals, dampers, hangers, etc. within Base Building areas | X | | X |
| Restroom exhaust for Base Building area restrooms | X | | X |
| Electric room ventilation system for Base Building electrical closets | X | | X |

LAB TENANT RESPONSIBILITY MATRIX – ARSENAL YARDS

Arsenal Street
 Watertown, MA
 Boylston Properties

| DESCRIPTION | RESPONSIBILITY | | |
|---|----------------|--------|------------------|
| | Landlord | Tenant | LL Post Delivery |
| Electric room ventilation system for electrical closets within Tenant Premises | | X | |
| Sound attenuation for Base Building infrastructure including LL provided AHUs and EFs to comply with Zoning Ordinance | X | | X |
| Sound attenuation for Tenant equipment to comply with Zoning Ordinance | | X | |
| Additional/ dedicated cooling, AHU or exhaust equipment for Tenant requirements. Added humidification | | X | |
| Two custom chilled/hot water AHU's designed to supply 2.0 cfm/sf to lab spaces and 1.25 cfm/sf to office areas. | X | | X |
| Two exhaust air handling units with high plume exhaust fans | | | X |
| Boiler Capacity; Total 15,000 MBH gas boilers. Chiller capacity: Total 1,000 tons Chillers | X | | X |
| ELECTRICAL | | | |
| Sound attenuation for Common standby generator to comply with Zoning Ordinance if required | X | | X |
| 480V Electrical utility service to switchgear in main electrical room For tenant tie-in | X | | X |
| Additional Life safety or standby generator if needed (subject to LL approval) | | X | |
| 600kW standby generator at 5W/USF. Generator distribution panel provided for tenant tie in | X | | X |
| Generator sub-meter | | X | |
| Standby power distribution within Tenant Premises | | X | |
| UPS and supporting power distribution within Tenant Premises | | X | |
| Lighting and power distribution for Base Building areas | X | | X |
| Lighting and power distribution for Tenant Premises | | X | |
| CT cabinet, tenant switchgear and metering for tenant electrical service (as permitted by utility company) | | X | |
| Life safety emergency lighting/signage, panels and circuit breakers for Base Building area | X | | X |
| Life safety emergency lighting/signage for Tenant Premises | | X | |
| Tenant panels, transformers, etc. in addition to Base Building house panels for Base Building area | | X | |
| Space allocation for tenant power distribution within tenant square footage | | X | |
| Allocation of power for Tenant use (w/USF): | | | |
| Allocation based on 50% office, 50% lab layout on usable square feet | X | | X |
| Office: 8W/USF | | | |
| Lab: 15 W/USF | | | |
| Automatic transfer switch for Tenant | | X | |
| FIRE ALARM | | | |
| Base Building fire alarm system with devices within Base Building areas | X | | X |
| Fire alarm sub panels and devices for Tenant Premises with integration into Base Building system | | X | |
| Alteration to fire alarm system to facilitate Tenant program | | X | |

| DESCRIPTION | RESPONSIBILITY | | |
|--|----------------|--------|------------------|
| | Landlord | Tenant | LL Post Delivery |
| TELEPHONE/DATA | | | |
| Underground local exchange carrier service to primary demarcation room | X | | X |
| Service from primary demarcation room to secondary demarcation room | | X | |
| Tenant tel/data rooms | | X | |
| Pathways from demarcation room directly into Tenant tel/data rooms | X | | X |
| Tel/Data cabling from demarcation room to intermediate distribution frame rooms | | X | |
| Tel/Data cabling from demarcation room and/ or intermediate distribution frame rooms to Tenant tel/data room | | X | |
| Fiber optic service for Tenant use | | X | |
| Tel/data infrastructure including, but not limited to, servers, computers, phone systems, switches, routers, MUX panels, equipment racks, ladder racks, etc. | | X | |
| Provisioning of circuits and service from service providers | | X | |
| Audio visual systems and support | | X | |
| Station cabling from Tenant tel/data room to all Tenant locations, within the suite and exterior to the suite, if needed | | X | |
| SECURITY | | | |
| Card access at Building entries | X | | X |
| Card access into or within Tenant Premises on separate Tenant installed and managed system | | X | |
| Video camera coverage of Common Areas and building grounds | X | | X |
| Video camera coverage of Tenant Premises on separate Tenant installed and managed system | | X | |

EXHIBIT D
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

TITLE MATTERS

Recording information below refers to the Middlesex South Registry of Deeds.

1. Remaining covenants contained in paragraphs numbered 2-4 in a deed from Watertown Redevelopment Authority, a body politic and corporate, to Ann & Hope Watertown Associates, a Massachusetts limited partnership, dated January 7, 1982 and recorded January 7, 1982 in Book 14508, Page 106; as affected by a Certificate of Completion issued by the Watertown Redevelopment Authority, dated November 14, 1983 and recorded November 30, 1983 in Book 15336, Page 23.
2. Remaining covenants contained in paragraphs numbered 2-4 in the Deed from Watertown Redevelopment Authority to Watertown Arsenal Associates, dated January 7, 1982 and recorded in Book 14508, Page 123; as affected by a Certificate of Completion by the Watertown Redevelopment Authority, dated December 13, 1983 and recorded in Book 15375, Page 554.
3. Permanent Highway Easements only as contained in that certain Order of the Town Council of the Town of Watertown authorizing the taking of Fee Simple and Easement Interests in Real Estate by eminent domain, dated December 28, 1982 and recorded in Book 14850, Page 397 and related Deed and Grant of Easement from Watertown Arsenal Associates, a Massachusetts limited partnership, to Inhabitants of the Town of Watertown, a municipal corporation, dated November 22, 1982 and recorded in Book 14850, Page 368 and Deed and Grant of Easement from Ann & Hope Watertown Associates, a Massachusetts limited partnership, to Inhabitants of the Town of Watertown, a municipal corporation, dated November 22, 1982 and recorded in Book 14850, Page 389 and as shown on a Plan entitled Taking Plan of Land in Watertown, Mass recorded as Plan Number 13 of 1983.
4. Rights and easements granted by Ann & Hope Watertown Associates, a Massachusetts limited partnership to Boston Edison Company and New England Telephone and Telegraph Company, dated April 5, 1983 and recorded April 5, 1983 in Book 14963, Page 437.
5. Utility Easements Running in favor of Boston Edison Company and New England Telephone and Telegraph Company, dated April 5, 1983 and recorded September 9, 1983 in Book 15209, Page 491, as shown on a Lot 2 Plan of Electric, Telephone and Fire Alarm Easements as Arsenal Marketplace, recorded therewith as Plan No, 1002 of 1983.
6. Easement Agreement by and between Watertown Arsenal Associates, a Massachusetts limited partnership and Inhabitants of the Town of Watertown, a municipal corporation, dated October 25, 1983 and recorded November 22, 1983 in Book 15327, Page 349, and shown on Plan of Access Easement to Arsenal Park, dated August 27, 1982 and recorded November 22, 1983 therewith as Plan No. 1349 of 1983; as affected by a First Amendment to Easement Agreement by and between B.P. Watertown Retail, LLC and the Town of Watertown dated October 11, 2017 and recorded in Book 70346 Page 454 and as shown on the plan entitled "Easement Plan Arsenal Mall" recorded as Plan No. 1104 of 2017.

7. Terms, Conditions and Easements set forth in the Construction, Operating and Reciprocal Easement Agreement for The Arsenal Markets by and between Watertown Arsenal Associates, a Massachusetts limited partnership, Ann & Hope Watertown Associates, a Massachusetts limited partnership, and Ann & Hope Marketplace, Inc., a Massachusetts corporation, dated November 15, 1983 and recorded November 22, 1983 in Book 15336, Page 26; as affected by First Supplement to Construction, Operating and Reciprocal Easement Agreement for Arsenal Markets, dated December 26, 1985 and recorded January 16, 1986 in Book 16715, Page 588; as affected by Assignment and Assumption Agreement to Ann & Hope of Rhode Island, Inc., a Massachusetts corporation, dated December 31, 1991 and recorded January 27, 1992 in Book 21712, Page 13; affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Arsenal Mall LLC, a Massachusetts limited liability company, and SPG Arsenal, L.P., a Delaware limited partnership, dated October 27, 1999 and recorded October 28, 1999 in Book 30808, Page 195; affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Watertown Arsenal Associates, a Massachusetts limited liability company, and SPG Arsenal HCHP, LLC, a Delaware limited liability company, dated October 27, 1999 and recorded October 28, 1999 in Book 30808, Page 264; as further affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between EDF Watertown, LLC, a Massachusetts limited liability company, and EDF Watertown II, LLC, a Massachusetts limited liability company, dated June 1, 2001 and recorded June 1, 2001 in Book 32981, Page 402; further affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Ann & Hope Watertown Associates, a Massachusetts limited partnership, Ann & Hope Marketplace, Inc., a Massachusetts corporation, Ann & Hope of Rhode Island, Inc., a Massachusetts corporation, and EDF Watertown, LLC, a Massachusetts limited liability company, dated June 1, 2001 and recorded June 1, 2001 in Book 32981, Page 331; as affected by an Affidavit dated November 21, 2013 and recorded with said Deeds in Book 62966 Page 124 on November 22, 2013; as further affected by an Assignment and Assumption Agreement by and between SPG Arsenal, L.P., SPG Arsenal HCHP, LLC, EDF Watertown, LLC and BP Watertown Retail, LLC dated August 8, 2013 and recorded in Book 62423, Pages 137, 149 and 162; as affected by Land Court Judgement dated February 9, 2016 and recorded in said Deeds in Book 67048, Page 438; as affected by the Second Supplement to Construction, Operating and Reciprocal Easement Agreement For Arsenal Markets, Watertown, Massachusetts recorded in Book 67934, Page 443 on August 31, 2016, as affected by Assignment of Operating Agreement recorded in Book 71113, Page 491, on June 5, 2018.
8. Easements set forth in the Agreement for Restatement, Amendment and Grant of Easements by and between Arsenal Associates, a Massachusetts limited partnership, Arsenal Markets Partnership, a Massachusetts limited partnership, and Watertown Arsenal Associates, a Massachusetts limited partnership, dated October 1983 and recorded November 23, 1983 in Book 15327, Page 356, and shown on Plan of Parking, Driveways, & Utility Easements at Arsenal Market Place, recorded as Plan No. 1350 of 1983.

9. Rights and easements in a Grant of Easement for highway granted by Ann & Hope Watertown Associates, a Massachusetts limited partnership to the Town of Watertown, a Massachusetts municipal corporation, dated July 16, 1999 and recorded May 19, 2000 in Book 31420, Page 539; as affected by an Acceptance of Grant of Easement by Town of Watertown, a Massachusetts municipal corporation, dated June 6, 2000 and recorded June 14, 2000 in Book 31501, Page 59 and shown on an Easement Plan of Land in Watertown Massachusetts, recorded as Plan 536 of 2000.
10. Water Vending Reservation and easements contained in Quitclaim Deed from Ann & Hope Watertown Associates, a Massachusetts limited partnership, dated June 1, 2001 and recorded June 1, 2001 in Book 32981 Page 319.
11. Terms and provisions of a Restriction Agreement by and between EDF Watertown, LLC, and The Stop & Shop Supermarket Company, a Delaware corporation, dated February 19, 2001 and recorded June 6, 2001 in Book 32981, Page 341; as affected by the Clarification Certificate dated February 27, 2018 recorded with an Affidavit on March 30, 2018 in Book 70808 Page 24.
12. Covenants, conditions, restrictions, easements and liens for common charges set forth in the Master Deed by EDF Watertown, LLC, a Massachusetts limited liability company, dated June 1, 2001 and recorded June 1, 2001 in Book 32981, Page 350; as affected by the Declaration of Trust of EDF Watertown Condominium Trust, dated June 1, 2001 and recorded June 1, 2001 in Book 32981, Page 364 and the By-laws of EDF Watertown Condominium Trust, recorded June 1, 2001 in Book 32981, Page 371 and the Condominium Site Plan recorded as Plan No. 522 of 2001.
13. Covenants, conditions, restrictions, easements, liens for common charges set forth in the Amended and Restated Master Deed of Arsenal Condominium, dated June 5, 2018 and recorded in Middlesex South Registry of Deeds in Book 71113, Page 277; as affected by the Declaration of Trust and By-Laws recorded in Book 71113 at Page 410.
14. Memorandum of Hotel Development Agreement dated June 7, 2018 and recorded in Book 71125, Page 280.
15. Rights of Tenant, as tenant only, under an unrecorded lease as evidenced by a Memorandum of Lease by and between WaterPart, LLC, as Landlord and Miller's Ale House, Inc., as Tenant, dated September 7, 2011, recorded in Book 57433, Page 534, as affected by a Lease Subordination, Non-Disturbance of Possession and Attornment Agreement, recorded in Book 71125, Page 457.
16. Rights of Tenant, as tenant only, under an unrecorded Lease evidenced by a Notice of Lease between Watertown Arsenal Associates, L.P., as Lessor, and Marshall's of Watertown, MA, Inc., as Lessee, dated effective as of September 29, 1983, recorded in Book 15358, Page 561, as affected by a Subordination, Non-Disturbance and Attornment Agreement with Marshalls of MA, Inc., as Tenant recorded in Book 71125, Page 473.
17. Notice Regarding Supplemental Agreement by and between EDF Watertown, LLC, a Massachusetts limited liability company, The Stop & Shop Supermarket Company, a Delaware corporation and Home Depot U.S.A., Inc., dated February 19, 2001, a Notice of which is dated June 1, 2001 and recorded with the Middlesex South Registry of Deeds in Book 32981, Page 415.
18. Construction Mortgage with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filings made by Arsenal Yards Holdings, LLC to Wells Fargo Bank, National Association recorded in Book 71125, Page 285.

19. UCC-1 Financing Statement naming Arsenal Yards Holdings LLC as debtor and to Wells Fargo Bank, National Association as secured party recorded with the Middlesex South Registry of Deeds in Book 71125, Page 319.
20. Rights of Tenants, as tenants only, under an unrecorded lease by and between Arsenal Yards Holding LLC as Landlord and Ultra Salon, as Tenant, as evidenced by a Memorandum of Lease recorded in Book 71125, Page 400, as affected by a Subordination Non-Disturbance and Attornment Agreement with Ultra Salon, as Tenant recorded in Book 71125, Page 408.
21. Rights of Tenants, as tenants only, under an unrecorded lease by and between Arsenal Yards Holding LLC as Landlord and Old Navy, as Tenant, as evidenced by a Memorandum of Lease recorded in Book 71125, Page 419, as affected by a Lease Subordination Non-Disturbance and Attornment Agreement with Old Navy, as Tenant, recorded in Book 71125, Page 431.
22. Rights of Tenants, as tenants only, under an unrecorded lease by and between Arsenal Yards Holding LLC as Landlord and Roche Bros., as Tenant as evidenced by a Notice of Lease recorded in Book 71125, Page 331, as affected by a Subordination Agreement, Acknowledgment of Lease Assignment, Attornment and Non-Disturbance Agreement with Roche Bros., as Tenant, recorded in Book 71125, Page 389.
23. Rights of Tenants, as tenants only, under an unrecorded lease dated May 1, 1997 by and between the predecessor of Arsenal Yards Holding LLC as Landlord and Cellco Partnership d/b/a Verizon Wireless as Tenant, as affected by a Subordination, Consent, Non-Disturbance and Attornment Agreement with Cellco Partnership as Tenant, recorded in Book 71125, Page 489.
24. Rights of Tenants, as tenants only, under an unrecorded lease dated October 18, 2018 by and between Arsenal Yards Holding LLC as Landlord and Shake Shack Massachusetts LLC as Tenant, as affected by a Subordination Agreement, Acknowledgment of Lease Assignment, Attornment and Non-Disturbance Agreement with Shake Shack Massachusetts LLC as Tenant, recorded in Book 71125, Page 585.
25. Terms and conditions of that certain Variance and Special Permit decision, dated October 26, 1981 and recorded November 19, 1981 in Book 14569, Page 217, as affected by Modification of Variance and Special Permit, dated June 7, 1982 and recorded in Book 14746, Page 164; Modification of Variance and Special Permit, recorded November 19, 1981 in Book 14569, Page 229, as affected by Modification, dated July 7, 1982 and recorded in Book 14746, Page 172, and Order, recorded in Book 14569, Page 241, as affected by Modification, dated July 7, 1982 and recorded in Book 14746, Page 180.
26. Terms and conditions of that certain Special Permit decision issued by the Watertown Board of Appeals, dated December 10, 1981 and recorded March 26, 1982 in Book 14569, Page 208.
27. Terms and conditions of that certain Variance decision, dated February 27, 1985 and recorded March 11, 1985 in Book 16085, Page 14.

28. Terms and conditions of that certain Special Permit decision issued by the Watertown Board of Appeals, dated April 29, 1986 and recorded April 30, 1986 in Book 16953, Page 252.
29. Terms and conditions of that certain Special Permit decision issued by the Watertown Board of Appeals, dated December 22, 1992 and recorded December 23, 1992 in Book 22758, Page 300.
30. Terms and conditions of that certain Variance decision issued by the Watertown Board of Appeals, dated August 9, 1993 and recorded November 17, 1993 in Book 23917, Page 272.
31. Terms and conditions of that certain Special Permit decision issued by the Watertown Board of Appeals, dated May 4, 1994 and recorded May 4, 1994 in Book 24529, Page 545.
32. Decision by the Town of Watertown Zoning Board of Appeals, recorded May 11, 2004 in Book 42757, Page 49.
33. Decision by the Town of Watertown Zoning Board of Appeals, dated August 3, 2011, recorded in Book 57275, Page 269.
34. Certificate of Granting of Special Permit Finding by the Town of Watertown Zoning Board of Appeals, dated January 2, 2003 and recorded January 9, 2003 in Book 37617, Page 356.
35. Certificate of Granting of Special Permit Finding by the Town of Watertown Zoning Board of Appeals, dated January 2, 2003 and recorded January 9, 2003 in Book 37617, Page 363.
36. Certificate of Granting of Special Permit by the Town of Watertown to Metro PCS Massachusetts, LLC, dated April 29, 2009 and recorded May 7, 2009 in Book 52729, Page 149.
37. Certificate of Granting of Special Permit by the Town of Watertown to William McQuillan, Waterpart LLC, dated October 29, 2009 and recorded November 5, 2009 in Book 53793, Page 494.
38. Special Permit decision issued by the Watertown Board of Appeals, dated December 4, 1986 and recorded December 19, 1986 in Book 17646, Page 493.
39. Terms and, provisions of Special Permit and Decision granted by the Town of Watertown Board of Appeals to Omnipoint Holdings, Inc., Special Permit No. 00-53, for which a Certificate of Granting of Special Permit, dated February 28, 2001 and recorded April 5, 2001 in Book 32621, Page 106.
40. Zoning Board of Appeals Decision of the Town of Watertown dated December 4, 2013 and recorded with said Deeds in Book 63225, Page 542; as amended in said Deeds in Book 68809 Page 136.

41. Order of Conditions (MASS DEP file 321-0165) recorded with the Middlesex South Registry of Deeds in Book 69462 Page 139 on August 20, 2017.
42. Planning Board Decision by the Town of Watertown to grant a Master Special Permit dated January 11, 2017 and recorded with the Middlesex South Registry of Deeds in Book 69000 Page 541.
43. Planning Board Decision by the Town of Watertown to grant a Sign Special Permit dated November 8, 2017 and recorded with the Middlesex South Registry of Deeds in Book 70354 Page 49.
44. Planning Board Decision of the Town of Watertown recorded with the Middlesex South Registry of Deeds in Book 70329 Page 317 on December 4, 2017.
45. Planning Board Decision of the Town of Watertown recorded with the Middlesex South Registry of Deeds in Book 71347 Page 269 on June 27, 2018.
46. Planning Board Decision of the Town of Watertown recorded with the Middlesex South Registry of Deeds in Book 71779 Page 548 on October 23, 2018.

EXHIBIT E
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.
CLEANING SPECIFICATION FOR COMMON AREAS AND LANDLORD SERVICES

I. COMMON AREA CLEANING

A. Common Lavatories (i.e., for multi-tenant floors and general common lavatories and showers)

Daily: (Monday through Friday, inclusive; Building Holidays excepted)

1. Sweep and damp mop floors.
2. Clean all mirrors, powder shelves, dispensers and receptacles, bright work, flushometers, piping, and toilet seat hinges.
3. Wash both sides of all toilet seats.
4. Wash all basins, bowls and urinals.
5. Dust and clean all powder room fixtures.
6. Empty and clean paper towel and sanitary disposal receptacles.
7. Remove waste paper and refuse.
8. Refill tissue holders, soap dispensers, towel dispensers, vending sanitary dispensers; materials to be furnished by Landlord.
9. Wash shower walls and floors.
10. A sanitizing solution will be used in all lavatory cleaning.

Monthly

1. Machine scrub lavatory floors.
2. Wash all partitions and tile walls in lavatories.

B. Main Lobby, Elevators, Building Exterior, Corridors, Stairwells, Freight Elevators, Bike Storage Room, and Other Common Areas

Daily: (Monday through Friday, inclusive; Building Holidays excepted)

1. Sweep and wash all floors.
2. Wash all rubber mats.
3. Clean elevators, wash or vacuum floors, wipe down walls and doors

4. Spot clean any metal work inside lobby.
5. Spot clean any metal work surrounding Building entrance doors.
6. Remove trash from trash receptacles daily, and pick up trash outside the Building. Tenant shall have the right to place trash in such trash receptacles on a daily basis.
7. Sweep bike room floor and locker area.

Monthly:

1. All resilient tile floors in public areas to be treated equivalent to spray buffing.
- C. Window Cleaning
1. Window of exterior walls will be washed twice per year.
 2. Interiors of windows in the common areas will be washed twice per year.
- D. Exterior Paved Areas
1. Snow and ice will be removed from exterior sidewalks, garage ramps, driveways, and private access roadways, as necessary.
 2. Sweeping and pick up trash from exterior sidewalks, garage ramps, driveways, and private access roadways, as necessary.
- E. Garage
1. Sweeping and pick up trash from garage areas.
 2. Striping, patching and repaving, as necessary.
 3. Garage lighting fixtures shall be maintained in good condition. Lighting shall be provided in the garage at all times. Replacement of bulbs and ballasts as necessary.

II. ELEVATORS

A. The Lab Building is served by 2 exclusive passenger elevators and 1 exclusive service elevators.

B. The elevator system shall operate automatically 24 hours per day; *provided, however*, that at times other than Mondays through Fridays, 7:00 a.m. to 6:00 p.m., except for Building Holidays (collectively, "**Regular Elevator Service Hours**"), Landlord may secure one or more (but not all) of the passenger elevators and the service elevator.

C. The use of the service elevators will, subject to this Paragraph C, be on a first-come, first-served basis. Exclusive use of the service elevator shall only be allowed during hours other than Regular Elevator Service Hours, and such use shall be scheduled with Landlord and coordinated with the reasonable needs of other tenants.

III. SECURITY SERVICES

Security services comparable to first-class office and research buildings and garages in Watertown shall be provided, which shall initially include:

1. Perimeter doors to the Building (other than the loading dock and garage) will be locked and/or electrically monitored or alarmed. At least one point of entry will require personnel to validate entry to anyone (whether tenants, visitors or others) requesting access to the tenant office and lab floors.
2. Access to the tenant office and lab floors after Normal Business Hours will be provided by electronic card access (or such similar device as may be technologically feasible in the future), and may be tied into Landlord's security, access control system.
3. Digital video cameras will be strategically placed to cover entries to the Building, the building perimeter, and the loading dock.
4. The security system will be computer-based, and door monitor events will be recorded.
5. Tenant shall have the right to tie into Landlord's base building system with Tenant's dedicated security system within their Premises, compatible with base building system.

Tenant acknowledges and agrees that the foregoing security parameters are subject to revision by Landlord from time to time.

Landlord shall maintain and respond to the Building security system as installed by Landlord and shall have no obligation to respond to alarms from any Tenant-installed security systems. Tenant shall maintain and respond to any security system installed by Tenant (provided that Tenant's failure to do so shall not be deemed a default under this Lease). The existence of Tenant-installed security systems is independent and unrelated to any of Landlord's obligations under the Lease.

IV. COMMON AREA SERVICES

- A. Common use lavatories (with cold and tempered domestic water) at locations provided for general use and as reasonably required in keeping with the first-class standards of the Building.
- B. Central heat, ventilation and air conditioning in season, at such temperatures and in such amounts as are reasonably deemed by Landlord to be in keeping with the first-class standards of the Building, to the common areas of the Building. Such heating and air conditioning shall be furnished at all times; *provided, however*, that heat in the common areas shall be reduced to approximately 62 degrees F during other than Normal Business Hours during the heating season, and air conditioning in the common areas shall be reduced to approximately 78 degrees F during other than Normal Business Hours during the cooling season.
- C. Electric lighting service for all public areas and special service areas of the Building in the manner and to the extent reasonably necessary in keeping with the first-class standards of the Building. Lighting in the common areas shall be reduced to 66% off full lighting capacity during other than Normal Business Hours.

- D. All Building standard fluorescent bulb and ballast replacement, and all LED and incandescent bulb replacement, in public areas, public lavatories, and Building stairwells.
- E. Landlord shall perform pest and vermin control inspections and preventative measures in the common areas of the Building and Property annually (or as otherwise determined in Landlord's reasonable discretion based on similar practices in office and laboratory buildings in Watertown).
- F. Landlord will use commercially reasonable efforts to operate and maintain the Unit Generator, including performing routine maintenance, so that the Unit Generator is available for use 24 hours per day, 7 days per week.

V. BUILDING HOLIDAY/BUILDING HOURS

Where services described in this Exhibit are referenced as being provided at times other than Building Holidays or only during Building hours, it shall have the following meaning:

"Normal Business Hours" shall mean 8:00 a.m. to 6:00 p.m. Monday through Friday, and 8:00 a.m. to 1:00 p.m. on Saturday, excluding the Building Holidays.

"Building Holidays" shall only mean New Year's Day, Memorial Day, Independence Day, Thanksgiving Day, Christmas. If in case of any specific holiday mentioned in the preceding sentence, a different day shall be observed than the respective day mentioned, then that day which constitutes the day observed by national banks in Boston, Massachusetts on account of said holiday shall constitute the Building Holiday.

VI. EXTERIOR AREAS

- A. Maintenance of landscaping and lawns in good condition, including replacing shrubbery and plantings, as necessary.
- B. Exterior lighting shall be maintained in good condition, and the Property shall be kept lit during the night-time hours. Bulb replacement, as necessary.

EXHIBIT F
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

SHUTTLE SERVICE

[See attached pages]

BOYLSTON PROPERTIES SHUTTLE PROGRAM

ARSENAL YARDS & HARVARD SQUARE



THE SHUTTLES

VPNE

(2) 25 PASSENGER SHUTTLES



SERVICE EVERY **15** MINUTES

VPNE WILL PROVIDE (2) SHUTTLES

- Convenient Walk-on boarding
- Onboard WiFi included
- GPS tracking with smartphone app included

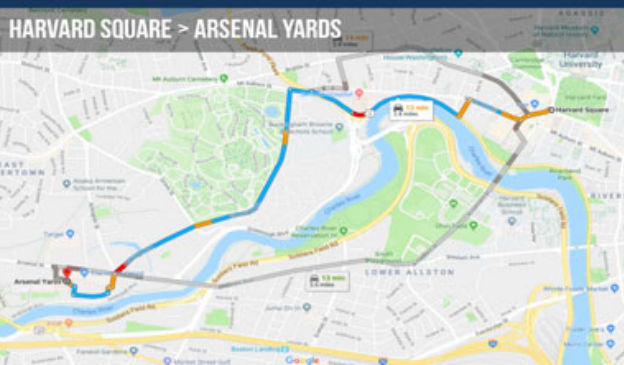
Use the Shuttle Service?
Download the App!

RIDE
SYSTEMS

Available on the App Store
GET IT ON Google play

THE PROGRAM

SHUTTLE ROUTES



Shuttle Route will run between Arsenal Yards and Harvard Square.

The Shuttle Service will arrive every 15 minutes at each location.

First Shift: 6am – 10am

Second Shift: 3pm – 7pm

**Hours can be customized to tenant usage and demand drivers.*

Service includes:

Employee labor and benefits, operational oversight, insurance, maintenance and cleaning, installation and service fees for GPS, Wi-Fi, two way radios, lease or purchase of the shuttle, sales and excise taxes, and gasoline.

VP/NE

EXHIBIT G
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

RULES AND REGULATIONS

Note: Capitalized terms herein have the meanings set forth in Tenant's Lease

1. The sidewalks, driveways, entrances, passages, courts, elevators, vestibules, stairways, corridors, halls, fire escapes, or other parts of the Building not occupied by any tenant shall not be obstructed by any tenant or used for any purpose other than ingress and egress to and from the Building and/or tenant's premises. Landlord shall have the right to control and operate the public portions of the Building and the facilities furnished for common use of the tenants in such manner as Landlord deems best for the benefit of the tenants generally.
2. No awning or other projections shall be attached to the outside walls or windows. No curtains, blinds, shades, screens or signs, other than those, if any, furnished by Landlord, shall be attached to, hung in, or used in connection with any exterior window or door of the Building without the prior written consent of Landlord. No sign, advertisement, object, notice or other lettering shall be exhibited, inscribed, painted or affixed on any part of the outside or inside of the Building if visible from outside of the Building without the prior written consent of Landlord. Tenants shall not place objects against glass partitions or doors or windows or adjacent to any common space which would be unsightly from the exterior of the Building and will promptly remove the same upon notice from Landlord.
3. Tenants must maintain clear common corridors, stairwells, landings, exits doors and common spaces, and internal laboratory egress routes and exits at all times. Tenants may not at any time place materials or office or laboratory equipment (e.g.: filing cabinets, photocopiers, furniture, bicycles, water/food/coffee dispensers, coat racks, recycling bins, freezers and refrigerators, centrifuges, biowaste boxes, or anything else) in common corridors (nor, with respect to corridors contained entirely within a tenant's leased premises, so as to reduce the clear width of such corridor below the minimum width required by applicable life safety codes), or in stairwells, in front of exit doors, or in paths of egress.
4. The water, toilets, wash closets, and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, cooking oils, grease, cleaning solvents, rags, chemicals, paints, cleaning fluids, or other substances shall be put therein. All fines, penalties, and damages resulting from any misuse of the fixtures by a tenant shall be borne by the tenant who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same, and Landlord in no case shall be responsible therefor (except to the extent that Landlord's negligence or willful misconduct has caused the same).
5. Except for the Initial Tenant Work and Tenant Work permitted under the Lease, Tenants shall not drill into, or in any way deface, any part of the Building or Premises. Notwithstanding the foregoing, tenant shall have the right, without Landlord's consent, to install wall hangings found in typical business and research offices as well as whiteboards and similar trade fixtures and business equipment. The use of asbestos-containing cement or other similar asbestos-containing adhesive material is expressly prohibited.
6. Tenants shall control the preparation of food within the lounges or break rooms contained within their premises so that no cooking odors leave their premises.
7. No space in the Building shall be used by a tenant for manufacturing of goods for sale in the ordinary course of business, for the storage in bulk of merchandise or for the sale at auction of merchandise, goods, or property of any kind.

8. No tenant shall disturb or interfere with occupants of the Building or neighboring buildings or premises or those having business with them by making excessive or disturbing noises or vibrations, or creating odors or noxious fumes, beyond those associated with normal office and laboratory use.
9. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. All locks for doors in tenant's premises shall be "building standard." If a tenant desires to change the existing locks or the mechanism thereof, the tenant shall first obtain the approval of Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) and then shall provide copies of the keys to such new or changed locks to Landlord immediately upon installing such new locks or changing the mechanism of existing locks. All requests for duplicate keys shall be made through Landlord and charged to tenant. The doors leading to the corridors or main halls shall be kept closed during business hours except as they may be used for ingress or egress. Corridor doors, when not in use, shall be kept closed. Tenants shall, and shall cause their employees to, lock the doors to the tenant's premises as tenant and tenant's employees leave at the end of each working day and after ordinary business hours, ascertain that the doors of the Building by which it and they leave are locked securely. Each tenant shall, upon the termination of its tenancy, restore to Landlord all keys of stores, offices, storage, and toilet rooms either furnished to or otherwise procured by such tenant. In the event of the loss of any keys so furnished, such tenant shall pay to Landlord the reasonable cost thereof.
10. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight that violates any of these rules and regulations.
11. Landlord reserves the right to exclude from the Building at all times any person who is not known or does not give proper and satisfactory identification to the Building management. Tenants will comply with any measures instituted for the security of the Building which may include the signing in or out in a register in the Building lobby after hours and on weekends and holidays. Each tenant shall be responsible for all persons for whom it specifically authorizes entry into or exit out of the Building, and shall be liable to Landlord for all acts or omissions of such persons.
12. No tenant shall use its premises or any other portion of the Building (a) for lodging, or for any immoral or illegal purposes; (b) to engage in the manufacture or sale of spirituous, fermented, intoxicating, or alcoholic beverages; or (c) to engage in the manufacture or sale of, or permit the use of, any illegal drugs.
13. Landlord's employees shall not perform any work or do anything outside of their regular duties, unless under special instruction from the management of the Building. The special requirements of tenants will be attended to only upon application to Landlord and, to the extent any requirement is Tenant's responsibility or requires payment to Landlord under the Lease, any such special requirements shall be billed to the tenant (and paid in accordance with the applicable provisions of the Lease) at the schedule of charges maintained by Landlord from time to time and provided to Tenant in advance or at such charge as is agreed upon in advance by Landlord and the requesting tenant.
14. Canvassing, soliciting, and peddling in the Building is prohibited and each tenant shall cooperate to prevent the same.
15. There shall not be any hand trucks used in any tenant's premises, or in the public halls of the Building, either by any tenant or by jobbers or others, in the delivery or receipt of merchandise, except those equipped with rubber tires and side guards. Tenants shall be responsible to Landlord for any loss or damage resulting from any deliveries to tenant.

16. Mats, boxes, trash, or other objects shall not be placed in the public corridors or outside of the Building. Trash shall be stored and disposed of only in accordance with Landlord's instructions provided in advance to Tenant. Landlord shall provide access to reasonable trash disposal areas.
17. No one except Landlord and its employees and agents shall be allowed on the roof of the Building, in utility or janitor's closets, or in any basement areas except those areas specifically leased to a tenant or otherwise expressly designated for the tenant's use. Any access by the Tenant to the roof of the Building must be done by properly OSHA trained and certified personnel equipped with all required safety gear appropriate for the work being performed. Tenant to provide Landlord with written notice of roof access.
18. No tenant shall place any sign or advertising notice in or on any part of the Building (excluding the interior of the Premises) except as approved in writing in advance by Landlord.
19. Movement of furniture or office equipment, or dispatch or receipt by tenants of any bulky material, merchandise, or materials that requires use of elevators or stairways, or movement through the Building entrances or lobby, shall be restricted to such hours as Landlord may reasonably designate, and such movement shall be subject to the reasonable control of Landlord.
20. Landlord shall have the authority, in its reasonable discretion, to limit the weight and prescribe the manner that safes, file cabinets, and other heavy equipment are positioned in order to avoid overburdening the floor load capacity of the Building.
21. Any passenger elevators are to be used only for the movement of persons and routine deliveries to a tenant's premises, unless an exception is first approved by Landlord in writing.
23. Tenants assume full responsibility for protecting its space and its property from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to its space in the Building closed and secured. Landlord shall not be responsible for lost or stolen personal property, money, or jewelry from a tenant's premises, the common areas, or any public areas regardless of whether such loss occurs when area is locked against entry or not.
24. Tenants shall participate fully and shall ensure that its employees participate fully in all safety programs, practices, and drills, relating to emergency evacuation of the Building. Tenants shall ensure that its employees are appropriately instructed and informed. Tenants shall also cooperate and participate in all security programs reasonably implemented by Landlord.
25. Electrical outlets in common corridors (but not in corridors contained entirely within a tenant's leased premises), stairwells, and common areas of the Building are for the exclusive use of Building maintenance staff; they may not be used to energize laboratory equipment, even temporarily.
26. Tenants are responsible for certifying Biological Safety Cabinets upon installation, and at least annually thereafter (in accordance with *National Sanitation Foundation 49*). Tenants are responsible for decontaminating Biological Safety Cabinets before any move or before disposal, and for recertification after any move. Tenant shall provide proof of certification upon request by Landlord.
27. Landlord reserves the right to have Landlord's structural engineer review a tenant's floor loads on the Building at that tenant's expense, no more frequently than one (1) time in any twelve (12) month period.

28. Discharge of industrial sewage shall only be permitted if the tenant, at its sole expense, shall have obtained all necessary permits and licenses therefor, including permits from state and local authorities having jurisdiction thereof. Copies of the aforementioned documents to be sent to Landlord

29. No smoking is permitted in the Building, or within 25ft of any entrance to the Building. Smoking will only be permitted in designated Smoking Areas.

30. In the event of any conflict between the provisions of these Rules and Regulations and the provisions of a tenant's lease, the provisions of the lease shall govern.

EXHIBIT H
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

INTENTIONALLY DELETED

EXHIBIT I
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

CONSTRUCTION DOCUMENT REQUIREMENTS

(a) **Preparation of Construction Documents.** The Construction Documents shall include the architectural, mechanical, electrical and structural drawings and detailed specifications for Tenant Work and shall show the work necessary to complete Tenant Work including all cutting, fitting, and patching and all connections to the mechanical and electrical systems and components of the Building. Tenants leasing partial floors shall design entrances, doors and any other elements which visually integrate with the elevator lobbies and common areas in a manner and with materials and finishes which are compatible with the common area finishes for such floor. Landlord reserves the right to reject Construction Documents which in its reasonable opinion fail to comply with this provision; provided that Landlord delivers to Tenant the reasonable reasons on which Landlord bases its rejection of any Construction Documents. The Construction Documents shall include:

(i) **Major Work Information:** A list of any items or matters which might require structural modifications to the Building, including the following:

- (1) Location and details of special floor areas exceeding the limits of live load per square foot for which the Building is designed (as set forth on the Base Building Construction Plans);
- (2) Location and weights of storage files, batteries, HVAC units and technical areas;
- (3) Location of any special soundproofing requirements;
- (4) Existence of any extraordinary HVAC requirements necessitating perforation of structural members; and
- (5) Existence of any requirements for heavy loads, dunnage or other items affecting the structure.

(ii) **Plans Submission:** Two (2) blackline drawings and one (1) CAD disk showing all architectural, mechanical and electrical systems, including cutsheets, specifications and the following (as applicable):

- (1) CONSTRUCTION PLANS:
 - All partitions shall be shown; indicate ratings of all partitions; indicate all non-standard construction and details referenced
 - Dimensions for partition shall be shown to face of stud; critical tolerances and dimensions shall be clearly noted
 - All doors shall be shown on and shall be numbered and scheduled on door schedule; indicate ratings of all doors
 - All non-standard construction, non-standard materials and/or installation shall be noted; equipment and finishes shall be shown and details referenced
 - All plumbing fixtures or other equipment requirements and any equipment requiring connection to Building plumbing systems shall be noted

(2) REFLECTED CEILING PLAN:

- Layout suspended ceiling grid pattern in each room, describing the intent of the ceiling working point, origin and/or centering
- Locate all ceiling-mounted lighting fixtures and air handling devices including air dampers, fan boxes, etc., lighting fixtures, supply air diffusers, down lights, special lighting fixtures, special return air registers, and special supply air diffusers

(3) TELECOMMUNICATIONS AND ELECTRICAL EQUIPMENT PLAN:

- All telephone outlets required
- All electrical outlets required; note non-standard power devices and/or related equipment
- All electrical requirements associated with plumbing fixtures or equipment; append product data for all equipment requiring special power, temperature control or plumbing considerations
- Location of telecommunications equipment and conduits
- Components and design of Tenant's equipment (including associated equipment) as installed, in sufficient detail to evaluate weight, bearing requirements, wind-load characteristics, power requirements and the effects on Building structure, moisture resistance of the roof membrane and operations of pre-existing telecommunications equipment
- All lighting wall switches and special wall switches

(4) DOOR SCHEDULE:

- Provide a schedule of doors, sizes, finishes, hardware sets and ratings
- Non-industry standard materials and/or installation shall be noted

(5) HVAC:

- Areas requiring special temperature and/or humidity control requirements
- Heat emission of equipment (including catalogue cuts), such as CRTs, copy machines, etc.
- Special exhaust requirements—conference rooms, pantry, toilets, etc.
- Any extension of system beyond demised space.

(6) ELECTRICAL:

- Special lighting requirements
- Power requirements and special outlet requirements of equipment
- Security requirements
- Supplied telephone equipment and the necessary space allocation for same

- Any extensions of tenant equipment beyond demised space

(7) PLUMBING:

- Remote toilets
- Pantry equipment requirements
- Remote water and/or drain requirements such as for sinks, ice makers, etc.
- Special drainage requirements, such as those requiring holding or dilution tanks

(8) ROOF:

Detailed plan of any existing and proposed roof equipment showing location and elevations of all equipment.

(9) SITE: (if applicable)

Detailed plan, including fencing, pads, conduits, landscaping and elevations of equipment.

(10) SPECIAL SERVICES:

Equipment cuts, power requirements, heat emissions, raised floor requirements, fire protection requirements, security requirements and emergency power.

(b) Plan Requirements. The Construction Documents shall be fully detailed and fully coordinated with each other and with existing field conditions, shall show complete dimensions, and shall have designated thereon all points of location and other matters, including special construction details and finish schedules. All drawings shall be uniform size and shall incorporate the standard electrical and plumbing symbols and be at a scale of 1/8"=1'0" or larger. Materials and/or installation shall be noted and adequately specified to allow for Landlord review, building permit application, and construction. All equipment and installations shall be made in accordance with industry standard materials and procedures unless a deviation outside of industry standards is shown on the Construction Documents and approved by Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. To the extent practicable, a concise description of products, acceptable substitutes, and installation procedures and standards shall be provided. Product cuts must be provided and special mechanical or electrical loads noted. Landlord's approval of the plans, drawings, specifications or other submissions in respect of any work, addition, alteration or improvement to be undertaken by or on behalf of Tenant shall create no liability or responsibility on the part of Landlord for their completeness, design sufficiency or compliance with requirements of any applicable laws, rules or regulations of any governmental or quasi-governmental agency, board or authority.

EXHIBIT J
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

TENANT WORK INSURANCE SCHEDULE

Prior to commencement of any Tenant Work and continuing until the completion of the Tenant Work (or, in the case of the Initial Tenant Work, until the Commencement Date, if later), the Tenant shall maintain, or cause to be maintained, property insurance under an "all risk" form, covering the Landlord, the Landlord's agents and beneficiaries, the Landlord's architect, the Landlord's contractor or subcontractors, the Tenant and the Tenant's contractors as their interests may appear, against loss or damage by fire, vandalism and malicious mischief, and such other risks as are customarily covered by the so-called "all risk of physical loss" form upon all the Tenant Work in place, and all materials stored at the site and all materials, equipment, supplies and temporary structures of all kinds incident to the Tenant Work, all while forming a part of, or contained in, such improvements or temporary structures while on the demised premises or when adjacent thereto while on malls, drives, sidewalks, streets or alleys, all in the full insurable value thereof at all times by reputable insurance companies licensed and admitted to do business in the Commonwealth of Massachusetts with an A+ financial rating. In addition, the Tenant agrees to require all contractors and subcontractors engaged in the performance of the Tenant' Work to effect and maintain and deliver to the Tenant and the Landlord certificates evidencing the existence of, prior to the commencement of the Tenant Work and until completion thereof, the following insurance coverages:

- a. Worker's Compensation Insurance - In accordance with the laws of the State, including Employer's Liability Insurance, with a minimum limit of \$1,000,000 each accident.
- b. Commercial General Liability Insurance in the same form as the Tenant is required hereunder to carry, with a minimum limit of liability of \$5,000,000 combined liability and property damage on an occurrence form; or in such greater reasonable amounts as the Landlord may hereafter from time to time advise the Tenant in writing.
- c. Business Automobile Liability, including non-owned and hired automobiles, with a combined single limit of \$5,000,000.

Prior to the commencement of the Tenant Work, the Tenant shall deliver to the Landlord' certificates of all required insurance, and evidence of the payment of premiums thereon (and certificates of renewal, and evidence of premium payments with reference thereto, where appropriate). All such insurance shall provide, and certificates thereof shall state, that the same is non-cancelable and non-amendable without twenty (20) days' prior written notice to the Landlord.

The provisions of this Exhibit shall apply to the performance of both the Initial Tenant Work and any other Tenant Work thereafter performed. Capitalized terms used in this Exhibit which are defined in the foregoing Lease and not otherwise defined herein shall have the meaning set forth in the Lease.

EXHIBIT K
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

LEED REQUIREMENTS

[See attached pages]

EXHIBIT K

Mandatory Tenant LEED Design, Construction and Performance Requirements

Section 1A. Mandatory Leadership in Energy and Environmental Design (LEED) Tenant Compliance. The Tenant shall meet the following design and construction requirements in support of and in compliance with the LEED prerequisites and credits attempted within the base-building.

1. WEp1/WEc1 Water use Reduction – 30% reduction. Tenants will need to meet the 20% water use reduction prerequisite and install indoor plumbing fixtures that allow the base building to meet a 30% water use reduction target. This prerequisite and the associated credit address flush and flow fixtures only. Tenants installing flush and flow fixtures within their lease space must specify fixtures with the following flush and flow rate maximums:

Tenant Installed Fixtures:

- *Low Flow Water Closets (1.28 gpf)*
 - *Pint Flush Urinals (0.125 gpf)*
 - *Low Flow metering Lavatories (0.5 gpm or 0.1 g/cycle)*
 - *Low Flow Kitchen Sink Faucets (1.5 gpm)*
 - *Low Flow Shower Fixtures (1.5 gpm)*
2. **EAp3 Fundamental Refrigerant Management:** Any additional HVAC&R equipment and/or systems installed by the Tenant must comply with the following: “zero use of chlorofluorocarbon (CFC)-based refrigerants in new heating, ventilating, air conditioning and refrigeration (HVAC&R) systems. Small HVAC units (defined as containing less than 0.5 pounds (228 grams) of refrigerant) and other equipment, such as standard refrigerators, small water coolers and any other equipment that contains less than 0.5 pounds (228 grams) of refrigerant, are not subject to the requirements of this prerequisite”.
 3. **IEQp1 Minimum Air Quality Performance:** All mechanical ventilation systems installed by the Tenant must “meet the minimum requirements of Sections 4 through 7 of ASHRAE Standard 62.1-2007, Ventilation for Acceptable Indoor Air Quality. Mechanical ventilation systems must be designed using the ventilation rate procedure or the applicable local code, whichever is more stringent.” Compliance must be demonstrated through calculations performed in alignment with the Ventilation Rate Procedure methodology as per section 6.2 of the ASHRAE 62.1-2007 standard.
 4. **IEQp2 Environmental Tobacco Smoke Control (ETS):** The Tenant is required to “Prohibit smoking within their premises”.
 5. **IEQc5 Indoor Chemical and Pollutant Source Control:** Tenants are required to, “sufficiently exhaust each space where hazardous gases or chemicals may be present or used to create negative pressure with respect to adjacent spaces when the doors to the room are closed. For each of these spaces, provide self-closing doors and deck-to-deck partitions or a hard-lid ceiling. The exhaust rate must be at least 0.50 cfm/sf, with no air recirculation. The pressure differential with the surrounding spaces must be at least 5 Pascals (Pa) (0.02 inches of water gauge) on average and 1 Pa (0.004 inches of water) at a minimum when the doors to the room are closed.”

The Tenant shall “install new air filtration on media in regularly occupied areas prior to occupancy; these filters must provide a minimum efficiency reporting value (MERV) of 13 or higher. Filtration should be applied to process both return and outside air that is delivered as supply air.”

Tenants with direct exterior entrances are required to, “install entryway systems at least 10 feet long in the primary direction of travel to capture dirt and particulates entering the building at regularly used exterior entrances. Acceptable entryway systems include permanently installed grates, grills and slotted systems that allow for cleaning underneath. Roll-out mats are acceptable only when maintained on a weekly basis by a contracted service organization.”

Section 1B. Mandatory Tenant Energy Conservation Measures (ECMs). Tenants shall meet the following performance requirements to support and align with the Energy Conservation Measures (ECMs) incorporated in the base-building systems and building envelope design and the whole building energy model.

- a. Lighting Power Density: The installed interior lighting power must be a minimum of 20% (40% for lab tenants in A and E) lower than baseline Building Area Calculation Method referenced in ASHRAE 90.1 -2013.
- b. Mechanical Systems: Comply with minimum requirements of ASHRAE 90-1 2013, or newer AND mechanical systems must incorporate two (out of three) optional features under ASHRAE 90.1-2013 Section 6.5.7.2.
 - VAV laboratory exhaust and room supply system capable of reducing exhaust and makeup airflow rates and/or incorporate a heat recovery system to precondition makeup air from laboratory exhaust that shall meet the following:
$$A + B \times (E/M) \geq 50\%$$
where
A = percentage that the exhaust and makeup airflow rates can be reduced from design conditions
B = percentage sensible recovery effectiveness
E = exhaust airflow rate through the heat recovery device at design conditions
M = makeup airflow rate of the system at design conditions.
 - VAV laboratory exhaust and room supply systems that are required to have minimum circulation rates to comply with code or accreditation standards shall be capable of reducing zone exhaust and makeup airflow rates to the regulated minimum circulation values or the minimum required to maintain pressurization relationship requirements. Nonregulated zones shall be capable of reducing exhaust and makeup airflow rates to 50% of the zone design values or the minimum required to maintain pressurization relationship requirements.

-
- Direct makeup (auxiliary) air supply equal to at least 75% of the exhaust airflow rate, heated no warmer than 2°F below room setpoint, cooled to no cooler than 3°F above room setpoint, no humidification added, and no simultaneous heating and cooling used for dehumidification control.

Beyond adhering to the requirements of the above listed LEED prerequisites and credits, the Tenant, at its own cost and expense, may elect to pursue third party certification under the LEED v4 for Commercial Interiors rating system. Attached please find 'Tenant Design and Construction Guidelines' that will aid the Tenant in the design and construction of a sustainable interior that is in alignment with this rating system. Even if third-party certification is not pursued, the Tenant is held responsible for complying with the aforementioned LEED prerequisites and credits.

EXHIBIT L
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

FORM OF SNDA

[See attached pages]

**RECORDING REQUESTED
BY AND WHEN RECORDED MAIL TO:**

Wells Fargo Bank, National Association
Commercial Real Estate (AU #0001189)
125 High Street, 15th Floor
Boston, MA 02110

Attn: Jannine Perry
Loan No. 1017796

(Space Above For Recorder's Use)

**SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF LEASE ASSIGNMENT,
ATTORNMEN T AND NON-DISTURBANCE AGREEMENT
(Lease to Security Instrument)**

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF LEASE ASSIGNMENT, ATTORNMEN T AND NON-DISTURBANCE AGREEMENT ("**Agreement**") is made as of _____, 2019 by and between Arsenal Yards Holding LLC, a Delaware limited liability company, owner of the real property hereinafter described ("**Mortgagor**"), Kymera Therapeutics, Inc., a Delaware corporation ("**Tenant**") and Wells Fargo Bank, National Association, as administrative agent (in such capacity, together with its successors and assigns, "**Administrative Agent**") for itself and certain other lenders (collectively with their successors or assigns, "**Lenders**") which are or may become party to the loan arrangement.

R E C I T A L S

- A. Pursuant to the terms and provisions of a lease dated _____, 2019 (as amended, the "**Lease**"), Mortgagor granted to Tenant a leasehold estate in and to the property described on Exhibit A attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the "**Property**").

- B. Mortgagor has executed a certain Mortgage with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of June 7, 2018, as amended by a First Amendment to Construction Mortgage with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of March 25, 2019 (as the same may be further amended, modified, supplemented or replaced from time to time, the "**Security Instrument**") securing, among other things, those certain amended and restated promissory notes dated as of March 25, 2019 (as the same may be amended, modified, supplemented or replaced from time to time, the "**Note**") in the principal sum of TWO HUNDRED FORTY-EIGHT MILLION AND NO/100 DOLLARS (\$248,000,000.00), in favor of the Lenders ("**Loan**"). The Security Instrument is recorded in the real property records where the Property is located. The Security Instrument encumbers the Property.
- C. Said Lease contains no provision granting Tenant an option to purchase the Property.
- D. As a condition to Lenders making the Loan secured by the Security Instrument, Administrative Agent, on behalf of the Lenders, requires that the Security Instrument be unconditionally and at all times remain a lien on the Property, prior and superior to all the rights of Tenant under the Lease and that the Tenant specifically and unconditionally subordinate the Lease to the lien of the Security Instrument.
- E. Mortgagor and Tenant have agreed to the subordination, attornment and other agreements herein in favor of Administrative Agent, for the benefit of Lenders, and Administrative Agent has agreed to grant non-disturbance to Tenant under the terms and conditions set forth herein.

NOW THEREFORE, for valuable consideration and to induce Administrative Agent and the Lenders to make the Loan, Mortgagor and Tenant hereby agree for the benefit of Administrative Agent, for the benefit of Lenders, as follows:

- 1. **SUBORDINATION.** Mortgagor and Tenant hereby agree that:
 - 1.1 **Prior Lien.** The Security Instrument securing the Note, and any modifications, renewals or extensions thereof (including, without limitation, any modifications, renewals or extensions with respect to any additional advances made subject to the Security Instrument), shall unconditionally be and at all times remain a lien on the Property prior and superior to the Lease;
 - 1.2 **Subordination.** Administrative Agent and the Lenders would not make the Loan without this agreement to subordinate; and
 - 1.3 **Whole Agreement.** This Agreement shall be the whole agreement and only agreement with regard to the subordination of the Lease to the lien of the Security Instrument and shall supersede and cancel, but only insofar as would affect the priority between the Security Instrument and the Lease, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination of the Lease to a deed or deeds of trust or to a mortgage or mortgages.

AND FURTHER, Tenant individually declares, agrees and acknowledges for the benefit of Administrative Agent and Lenders, that:

- 1.4 **Use of Proceeds.** Neither Administrative Agent nor any Lender, in making disbursements pursuant to the Note, the Security Instrument or any loan agreements with respect to the Property, is under any obligation or duty to, nor has Administrative Agent or any Lender represented that it will, see to the application of such proceeds by the person or persons to whom Administrative Agent and any such Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part; and
- 1.5 **Waiver, Relinquishment and Subordination.** Tenant intentionally and unconditionally waives, relinquishes and subordinates all of Tenant's right, title and interest in and to the Property to the lien of the Security Instrument and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Administrative Agent, on behalf of Lenders and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.
2. **ASSIGNMENT.** Tenant acknowledges and consents to the assignment of the Lease by Mortgagor in favor of Administrative Agent, for the benefit of Lenders.
3. **INTENTIONALLY OMITTED.**
4. **ADDITIONAL AGREEMENTS.** Tenant covenants and agrees that, during all such times as Administrative Agent is the mortgagee under the Security Instrument:
 - 4.1 **Modification, Termination and Cancellation.** Tenant will not consent to any modification, amendment, termination or cancellation of the Lease (in whole or in part) without Administrative Agent's prior written consent and will not make any payment to Mortgagor in consideration of any modification, termination or cancellation of the Lease (in whole or in part) without Administrative Agent's prior written consent;
 - 4.2 **Notice of Default.** Tenant will notify Administrative Agent in writing concurrently with any notice given to Mortgagor of any default by Mortgagor under the Lease, and Tenant agrees that Administrative Agent or any Lender has the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below and Tenant will not declare a default of the Lease, as to Administrative Agent or any Lender, if Administrative Agent cures such default within fifteen (15) days from and after the expiration of the time period provided in the Lease for the cure thereof by Mortgagor; provided, however, that if such default cannot with diligence be cured by Administrative Agent within such fifteen (15) day period, the commencement of action by Administrative Agent within such fifteen (15) day period to remedy the same shall be deemed sufficient so long as Administrative Agent pursues such cure with diligence;

- 4.3 **No Advance Rents.** Tenant will make no payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease;
- 4.4 **Assignment of Rents.** Upon receipt by Tenant of written notice from Administrative Agent that Administrative Agent has elected to terminate the license granted to Mortgagor to collect rents, as provided in the Security Instrument, and directing the payment of rents by Tenant to Administrative Agent, Tenant shall comply with such direction to pay and shall not be required to determine whether Mortgagor is in default under the Loan and/or the Security Instrument.
- 4.5 **Insurance and Condemnation Proceeds.** In the event there is any conflict between the terms in the Security Instrument and the Lease regarding the use of insurance proceeds or condemnation proceeds with respect to the Property, the provisions of the Security Instrument shall control.
5. **ATTORNMEN T.** In the event of a foreclosure under the Security Instrument, Tenant agrees for the benefit of Administrative Agent and Lenders (including for this purpose any transferee of Administrative Agent or any Lender or any transferee of Mortgagor's title in and to the Property by Administrative Agent's exercise of the remedy of sale by foreclosure under the Security Instrument) as follows:
- 5.1 **Payment of Rent.** Tenant shall pay to Administrative Agent, for the benefit of Lenders, all rental payments required to be made by Tenant pursuant to the terms of the Lease for the duration of the term of the Lease;
- 5.2 **Continuation of Performance.** Tenant shall be bound to Administrative Agent in accordance with all of the provisions of the Lease for the balance of the term thereof, and Tenant hereby attorns to Administrative Agent, for the benefit of Lenders, as its landlord, such attornment to be effective and self-operative without the execution of any further instrument immediately upon Administrative Agent succeeding to Mortgagor's interest in the Lease and giving written notice thereof to Tenant;
- 5.3 **No Offset.** Neither Administrative Agent nor any Lender shall be liable for, nor subject to, any offsets or defenses which Tenant may have by reason of any act or omission of Mortgagor under the Lease, nor for the return of any sums which Tenant may have paid to Mortgagor under the Lease as and for security deposits, advance rentals or otherwise, except to the extent that such sums are actually delivered by Mortgagor to Administrative Agent; and
- 5.4 **Subsequent Transfer.** If Administrative Agent, on behalf of Lenders, by succeeding to the interest of Mortgagor under the Lease, should become obligated to perform the covenants of Mortgagor thereunder, then, upon any further transfer of Mortgagor's interest by Administrative Agent, all of such obligations shall terminate as to Administrative Agent.

- 5.5 **Limitation on Administrative Agent's Liability.** Tenant agrees to look solely to Administrative Agent's interest in the Property and the rent, income or proceeds derived therefrom for the recovery of any judgment against Administrative Agent, and in no event shall Administrative Agent or any Lender, or any of their respective affiliates, officers, directors, shareholders, partners, agents, representatives or employees ever be personally liable for any such obligation, liability or judgment.
- 5.6 **No Representation, Warranties or Indemnities.** Administrative Agent shall not be liable with respect to any representations, warranties or indemnities from Mortgagor, whether pursuant to the Lease or otherwise, including, but not limited to, any representation, warranty or indemnity related to the use of the Property, compliance with zoning, landlord's title, landlord's authority, habitability or fitness for purposes or commercial suitability, or hazardous wastes, hazardous substances, toxic materials or similar phraseology relating to the environmental condition of the Property or any portion thereof.
6. **NON-DISTURBANCE.** In the event of a foreclosure under the Security Instrument, so long as there shall then exist no breach, default, or event of default on the part of Tenant under the Lease, Administrative Agent agrees for itself, Lenders, and their respective successors and assigns that the leasehold interest of Tenant under the Lease shall not be extinguished or terminated by reason of such foreclosure, but rather the Lease shall continue in full force and effect and Administrative Agent shall recognize and accept Tenant as tenant under the Lease subject to the terms and provisions of the Lease except as modified by this Agreement; provided, however, that Tenant and Administrative Agent agree that the following provisions of the Lease (if any) shall not be binding on Administrative Agent, Lenders, nor their respective successors and assigns: (a) any option to purchase with respect to the Property; (b) any right of first refusal with respect to the Property; and (c) any obligation of Landlord to construct any improvements on the Property or perform any of the Landlord's work under the Lease or otherwise to make, pay for, or reimburse Tenant for any tenant improvements, construction allowance, alterations, demolition, or other improvements or work at the Property provided, however, subject to Administrative Agent's notice and cure rights under Section 4.2 above and subject to the terms, conditions and limitations set forth in Section 16.02 of the Lease, in the event that Mortgagor has not disbursed the entire amount of the Allowance (as defined in the Work Letter attached as Exhibit C to the Lease (the "**Work Letter**")) pursuant to the terms of the Work Letter prior to Administrative Agent succeeding to Mortgagor under the Lease, and so long as there shall then exist no breach, default, or event of default on the part of Tenant under the Lease, Tenant may off-set the amount thereof against future installments of Base Rent due under the Lease until the remaining Allowance is fully paid; (provided, the monthly off-set amount shall not exceed fifty percent (50%) of the Base Rent then due on a monthly basis).

7. **MISCELLANEOUS.**

- 7.1 **Remedies Cumulative.** All rights of Administrative Agent herein to collect rents on behalf of Mortgagor under the Lease are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Administrative Agent and Mortgagor or others.
- 7.2 **NOTICES.** All notices, demands, or other communications under this Agreement and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of Default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three (3) Business Days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

| | |
|-----------------|---|
| Mortgagor: | Arsenal Yards Holding LLC c/o Boylston Properties Company, Inc. 800 Boylston Street, Suite 1390 Boston, Massachusetts 02199 Attention: William P. McQuillan |
| With a copy to: | Sherin and Lodgen LLP 101 Federal Street Boston, Massachusetts 02110 Attention: Peter Friedenber, Esquire |
| Tenant: | Kymera Therapeutics, Inc. 300 Technology Square, 2d Floor Cambridge, Massachusetts 02139 Attention: Chief Legal Officer |
| With a copy to: | Foley Hoag LLP Seaport West 155 Seaport Boulevard Boston, Massachusetts 02210 Attention: Jeffrey K. Ganguly, Esquire |

Administrative Agent: Wells Fargo Bank, National Association
125 High Street, 15th Floor
Boston, Massachusetts 02110
Attention: Robert E. Deignan, Senior Vice President
Loan No. 1017796

With a copy to: Wells Fargo Bank, National Association
Minneapolis Loan Center
600 South 4th Street, 9th Floor
MAC N9300-091
Minneapolis, Minnesota 55415
Attention: Cody Trosin

With a copy to: Riemer & Braunstein LLP
Three Center Plaza
Boston, Massachusetts 02108
Attention: Matthew R. Nash, Esq.

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other parties in the manner set forth hereinabove.

- 7.3 **Heirs, Successors and Assigns.** Except as otherwise expressly provided under the terms and conditions herein, the terms of this Agreement shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto.
- 7.4 **Headings.** All article, section or other headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement,
- 7.5 **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

7.6 **Exhibits, Schedules and Riders**. All exhibits, schedules, riders and other items attached hereto are incorporated into this Agreement by such attachment for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

[remainder of page intentionally left blank; signature pages and notary acknowledgements follow]

ARSENAL YARDS HOLDING LLC, a Delaware limited liability company

By: BP Watertown Retail LLC, a Delaware limited liability company, its Managing Member

By: BP/Arsenal Group LLC, a Delaware limited liability company, its Manager

By: _____
Name: William P. McQuillan
Title: Manager

COMMONWEALTH OF MASSACHUSETTS)
) ss:
COUNTY OF SUFFOLK)

On the ____ day of _____, 2019, before me, the undersigned notary public, WILLIAM P. MCQUILLAN personally appeared, proved to me through satisfactory evidence of identification, which were _____ to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose as the Manager of BP/Arsenal Group LLC, a Delaware limited liability company, which is the Manager of BP Watertown Retail LLC, a Delaware limited liability company, which is the Managing Member of Arsenal Yards Holding LLC, a Delaware limited liability company.

Notary Public

[Signature Page to SNDA]

TENANT:

KYMERA THERAPEUTICS, INC.,
A Delaware corporation

By: _____

Name:

Title:

STATE OF _____)

)

ss:

COUNTY OF _____)

_____, 2019

Then personally appeared before me the above-named _____, as _____ of Kymera Therapeutics, Inc., a Delaware corporation, proved to me through satisfactory evidence of identification, which was _____ to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Notary Public

My Commission Expires:

[Signature Page to SNDA]

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____

Name: Dean Jewett

Title: Vice President

COMMONWEALTH OF MASSACHUSETTS)
) ss:
COUNTY OF SUFFOLK)

On the ___ day of _____, 2019, before me, the undersigned notary public, DEAN JEWETT personally appeared, proved to me through satisfactory evidence of identification, which were _____ to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose as the Vice President of Wells Fargo Bank, National Association, a national banking association.

Notary Public

[Signature Page to SNDA]

EXHIBIT A - DESCRIPTION OF PROPERTY

[TO BE ATTACHED]

[Exhibit A to Subordination Agreement, Acknowledgment of Lease Assignment, Attornment and Non-Disturbance Agreement]

EXHIBIT M
TO
LEASE BY ARSENAL YARDS HOLDING LLC TO KYMERA THERAPEUTICS, INC.

FORM OF ESTOPPEL CERTIFICATE

LOAN NO. 1017796

TENANT ESTOPPEL CERTIFICATE

_____, 201__

Wells Fargo Bank, National Association
125 High Street, 15th Floor Boston,
Massachusetts 02110
REBG Boston (AU #0001189)

Attn: Robert E. Deignan, Senior Vice President

RE: Lease dated DATE OF LEASE [, and amended on LEASE AMENDMENT DATE,] (as may have been amended or modified from time to time, "**Lease**") by and between ARSENAL YARDS HOLDING LLC, a limited liability company organized under the laws of the State of Delaware ("**Landlord**") and TENANT NAME ("**Tenant**") with respect to certain premises ("**Leased Premises**") located at _____, Watertown, Massachusetts ("**Property**"). The Leased Premises are comprised of _____ square feet.

Ladies and Gentlemen:

The undersigned hereby acknowledges that Landlord intends to encumber the Property with a mortgage in favor of Wells Fargo Bank, National Association, as administrative agent on behalf of itself and certain other lenders (collectively with their respective successors or assigns, "**Lender**"). The undersigned further acknowledges the right of Landlord, Lender and any and all of Landlord's present and future lenders to rely upon the statements and representations of the undersigned contained in this Tenant Estoppel Certificate ("**Certificate**") and further acknowledges that any loan secured by any such mortgage or further mortgages will be made and entered into in material reliance on this Certificate.

Given the foregoing, the undersigned Tenant hereby certifies and represents unto Lender, its successors and assigns, with respect to the above described Lease as follows:

1. **LEASED PREMISES.** All space and improvements covered by the Lease have been completed and furnished to the satisfaction of Tenant, all conditions required under the Lease have been met, and Tenant has accepted and taken possession of and presently occupies the Leased Premises, consisting of approximately _____ square feet.
2. **ENTIRE AGREEMENT.** The Lease is for a total term of NUMBER years, NUMBER months commencing MONTH & DATE, 20, and ending, MONTH & DATE, 20, and has not been modified, altered or amended in any respect and contains the entire agreement between Landlord and Tenant, except as follows: _____

(list amendments and modifications other than those, if any, attached to and forming a part of the Lease as well as any verbal agreements, or write "None").

3. **ANNUAL RENT.** As of the date hereof, the annual minimum rent under the Lease is \$NUMBER, subject to any escalation and/or percentage rent and/or common area maintenance charges, in accordance with the terms and provisions of the Lease. The "Base Year" for any escalation is YEAR.
4. **NO PREPAID RENT.** No rent has been paid by Tenant in advance under the Lease except for \$NUMBER, which amount represents rent for the period beginning MONTH & DATE, 20__, and MONTH & DATE, 20__, and Tenant has no charge or claim of offset under said Lease or otherwise, against rents or other amounts due or to become due thereunder. No "discounts", "free rent" or "discounted rent" have been agreed to or are in effect except for _____.
5. **SECURITY DEPOSIT.** A Security Deposit of \$ NUMBER has been made and is currently being held by Landlord.
6. **NO CLAIM.** Tenant has no claim against Landlord for any deposit or prepaid rent except as provided in Paragraphs 4 and 5 above.
7. **NO DEFAULT OF LANDLORD.** The Landlord has satisfied all commitments, arrangements or understandings made to induce Tenant to enter into the Lease, and the Landlord is not in any respect in default in the performance of the terms and provisions of the Lease, nor is there now any fact or condition which, with notice or lapse of time or both, would become such a default.
8. **NO DEFAULT OF TENENT.** Tenant is not in any respect in default under the terms and provisions of the Lease (nor is there now any fact or condition which, with notice or lapse of time or both, would become such a default) and has not assigned, transferred or hypothecated its interest under the Lease, except as follows:

9. **TENANT RIGHTS.** Except as expressly provided in the Lease or in any amendment or supplement to the Lease, Tenant: (i) does not have any right to renew or extend the term of the Lease; (ii) does not have any option or preferential right to purchase all or any part of the Leased Premises or all or any part of the building or premises of which the Leased Premises are a part; and (iii) does not have right, title, or interest with respect to the Leased Premises other than as tenant under the Lease. There are no understandings, contracts, agreements, subleases, assignments, or commitments of any kind whatsoever with respect to the Lease or the Leased Premises except as expressly provided in the Lease or in any amendment or supplement to the Lease set forth in Paragraph 2 above, copies of which are attached hereto.

- 10. **LEASE EFFECTIVE.** The Lease is in full force and effect and Tenant has no defenses, setoffs, or counterclaims against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transactions between Tenant and Landlord.
- 11. **NO BROKER LIENS.** Neither Tenant nor Landlord has incurred any fee or commission with any real estate broker which would give rise to any lien right under state or local law, except as follows (if none, state "None"): _____

- 12. **NOTICES.** The current address to which all notices to Tenant as required under the Lease should be sent is:

Dated: MONTH & DATE, 20 _____

"TENANT"

SIGNATURE BLOCK OF TENANT

commonly known as "Arsenal Yards", located at 485 Arsenal Street, Watertown, Massachusetts on a parcel of land more particularly described in **Exhibit A** attached hereto (the "**Land**"). The Land is subject to the Amended and Restated Master Deed and to that certain Declaration of Trust of Arsenal Yards Primary Condominium Trust recorded with Middlesex South District Registry of Deeds on June 5, 2018 at Book 71113, Page 410.

LEASE TERM: The period commencing on the Rent Commencement Date and ending ten (10) years thereafter.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Lease. The Lease contains additional rights, terms and conditions not enumerated in this instrument. This instrument is executed pursuant to Section 16.06 of the Lease, does not purport to include all of the terms thereof and is not intended or deemed to amend, supplement or vary any of the terms and provisions of the Lease. In the event of any conflict or inconsistency between any provision of the Lease and this Notice of Lease, the provisions of the Lease shall govern and control. This document may be executed in multiple counterparts, all of which together shall constitute a single instrument.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY – SIGNATURES APPEAR ON FOLLOWING PAGE.]

LANDLORD:

Arsenal Yards Holding LLC,
a Delaware limited liability company

By: BP Watertown Retail LLC,
a Delaware limited liability company,
its Managing Member

By: BP/Arsenal Group LLC,
a Delaware limited liability company, its
Managing Member

By: _____
Name: William P. McQuillan
Title: Manager

TENANT:

Kymera Therapeutics, Inc.,
a Delaware corporation

By: _____
Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

On this ___ day of _____, 2019, before me, the undersigned Notary Public, personally appeared _____, in his capacity as Manager of BP/Arsenal Group LLC, a Delaware limited liability company, in its capacity as Managing member of BP Watertown Retail LLC, a Delaware limited liability company, in its capacity as Managing Member of ARSENAL YARDS HOLDING LLC, whose name is signed on the preceding document, and such person acknowledged to me that he signed such document voluntarily for its stated purpose. The identity of such person was proved to me through satisfactory evidence of identification, which was [] photographic identification with signature issued by a federal or state governmental agency, [] oath or affirmation of a credible witness, or [] personal knowledge of the undersigned.

Notary Public
My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

County of _____, ss

On this ___ day of _____, 2019, before me, the undersigned Notary Public, personally appeared _____, in his/her capacity as _____ of Kymera Therapeutics, Inc., a Delaware corporation, whose name is signed on the preceding document, and such person acknowledged to me that he/she signed such document voluntarily for its stated purpose. The identity of such person was proved to me through satisfactory evidence of identification, which was [] photographic identification with signature issued by a federal or state governmental agency, [] oath or affirmation of a credible witness, or [] personal knowledge of the undersigned.

Notary Public
My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

PARCEL I- FEE SIMPLE

Beginning at the corner of Lot #2 at the Northwesterly corner of the property, said point being 447.43 feet from the Northeastly corner of Talcott Street;
thence running along Arsenal Street South 78°47' 56" East, 222.34 feet to an angle;
thence running South 81° 28' 44" East, 152.64 feet to an angle;
thence running South 85° 14' 23" East, 152.46 feet to an angle;
thence running South 81° 28' 44" East, 30.51 feet to a corner;
thence running along a curved line with a radius of 144.00 feet, a distance of 37.28 feet to a point;
thence running along another curved line with a radius of 156.00 feet, a distance of 40.39 feet to a point;
thence running South 81° 28' 44" East, 108.27 feet to a bend;
thence running South 86° 05' 45" East, 124.23 feet to a bend;
thence running South 81° 28' 44" East, 120.97 feet to a corner;
thence running South 08° 31' 16" West, 1.79 feet to a corner;
thence running South 81° 34' 04" East, 141.70 feet to a bend;
thence running South 36° 34' 04" East, 2.83 feet to a bend;
thence running South 81° 34' 04" East, 49.09 feet to a corner;
thence turning and running by Lot# 1 South 08° 15' 00" West, 299.04 feet to a corner;
thence turning and running by Lot #1 South 81° 45' 00" East; 120.50 feet to a bend;
thence running South 36° 45' 00" East, 21.00 feet to a corner;
thence running South 53° 15' 00" West, 44.38 feet to a point;
thence running along a curved line with a radius of 75.00 feet, a distance of 58.90 feet to a point;
thence running South 08° 15' 00" West, 228.95 feet to a corner;
thence running by a curved line with a radius of 1776.21 feet a distance of 199.24 feet to a tangent;
thence running South 81° 56' 08" East 79.45 feet to a point;
thence running by a curved line with a radius of 878.74 feet, a distance of 476.34 feet to a point;
thence running by a curved line with a radius of 1057.99 feet, a distance of 221.36 feet to a corner;
thence running North 34° 58' 58" West, 54.68 feet to a corner;
thence running North 81° 27' 20" West, 90.00 feet to a corner;
thence running North 08° 32' 40" East, 308.78 feet to a corner at Arsenal Street;
thence turning and running along Arsenal Street South 81° 17' 17" East, 44.84 feet to a point;
thence running South 81° 27' 12" East, 14.83 feet to an angle;
thence running North 53° 32' 48" East, 5.66 feet to an angle;
thence running South 81° 27' 12" East, 58.67 feet to an angle;
thence running South 36° 27' 12" East, 2.83 feet to an angle;
thence running South 81° 27' 12" East, 57.33 feet to an angle;
thence running North 53° 32' 48" East, 2.83 feet to an angle;
thence running South 81° 27' 12" East, 38.67 feet to an angle;
thence running South 36° 27' 12" East, 2.83 feet to an angle;
thence running South 81° 27' 12" East, 37.33 feet to an angle;

thence running North 53° 32' 48" East, 2.37 feet to an angle;
thence running South 83° 43' 34" East, 96.32 feet to an angle;
thence running South 38° 43' 34" East 2.83 feet to an angle;
thence running South 83° 43' 34" East, 68.39 feet to an angle;
thence running North 51° 16' 26" East, 2.83 feet to an angle;
thence running South 83° 53' 46" East, 121.21 feet to a point;
thence running along a curved line with a radius of 10.43 feet, a distance of 24.07 feet to a point;
thence running along the sideline of Charles W. Greenough Boulevard South 50° 46' 24" West, 469.25 feet to a point;
thence running along a curved line with a radius of 1142.99 feet, a distance of 323.81 feet to a point;
thence running along another curved line with a radius of 963.74 feet, a distance of 522.42 feet to a tangent;
thence running North 81° 56' 08" West, 79.45 feet to a point;
thence running by a curved line with a radius of 1691.21 feet, a distance of 365.94 feet to a corner of property of the Town of Watertown;
thence turning and running by said Town of Watertown land North 00° 31' 40" East, 203.77 feet to a corner;
thence turning and running North 89° 28' 20" West, 761.50 feet to a corner;
thence turning and running North 00° 31' 40" East, 140.00 feet to a corner;
thence turning and running North 89° 28' 20" West, 198.30 feet to a corner;
thence turning and running North 00° 31' 40" East, 74.25 feet to a corner;
thence turning and running North 89° 28' 20" West, 116.50 feet to a corner of Lot #3;
thence turning and running by Lot #3 and by Lot #4, North 00° 31' 40" East, 364.81 feet to a corner;
thence turning and running again by Lot #4, South 89° 28' 20" East, 89.00 feet to a corner;
thence turning and running by Lot #4, North 00° 31' 40" East, 108.44 feet to Arsenal Street and the point of beginning of said parcel.

Being shown as Lot #2 on a plan entitled "Plan of Land Arsenal Street Watertown, Middlesex County, Mass Property Line Plan", scale 1" = 100', dated December 16, 1983 and recorded with Middlesex South District Registry of Deeds as Plan No. 1495 of 1983

Excepting therefrom that certain parcel of land and the improvements thereon located in Watertown, Middlesex County, Massachusetts, bounded and described as follows:

Beginning at the corner of Lot #2A at the Northwesterly corner of the property, said point being 447.43 feet from the Northeasterly corner of Talcott Street;
thence running along Arsenal Street South 78° 47' 56" East, 204.33 feet to a point;
thence running South 00° 22' 13" West, 509.66 feet by remaining portion of Lot 2;
thence turning and running North 89° 28' 20" West, 174.70 feet to a corner;

thence turning and running North 00° 31' 40" East, 74.25 feet to a corner;
thence turning and running North 89° 28' 20" West, 116.50 feet to a corner of Lot #3;
thence turning and running by Lot #3 and by Lot #4, North 00° 31' 40" East, 364.81 feet to a corner;
thence turning and running again by Lot #4, South 89° 28' 20" East, 89.00 feet to a corner;
thence turning and running by Lot #4 North 00° 31' 40" East, 108.44 feet to Arsenal Street and the point of beginning said parcel.

Being shown as Lot #2A on a plan entitled "Plan of Land, Arsenal Street, Watertown, Middlesex County, Mass," Scale 1" = 40' prepared by Yunits Engineering Co., Inc., dated March 11, 1985, recorded with the Middlesex South District Registry of Deed in Book 16270, Page 120.

Less and excepting that portion of the premises that is within the bounds of that certain condominium known as the Arsenal Condominium, situated in Watertown, Middlesex County (Southern District), Massachusetts, bounded and described as follows:

Being the same premises as described and created by Master Deed dated January 27, 2010 and recorded January 29, 2010, in Book 54229, Page 81, and in By Laws of said Condominium dated January 27, 2010 and recorded on January 29, 2010 in Book 54229, Page 106 .

TOGETHER WITH THE BENEFIT, APPURTENANT TO PARCEL I ABOVE, OF THE RIGHTS AND EASEMENTS CONTAINED IN THE FOLLOWING DOCUMENTS:

a. Construction, Operating and Reciprocal Easement Agreement for The Arsenal Markets by and between Watertown Arsenal Associates, a Massachusetts limited partnership, Ann & Hope Watertown Associates, a Massachusetts limited partnership, and Ann & Hope Marketplace, Inc., a Massachusetts corporation, dated November 15, 1983 and recorded November 22, 1983 in Book 15336, Page 26; as affected by First Supplement to Construction, Operating and Reciprocal Easement Agreement for Arsenal Markets, dated December 26, 1985 and recorded January 16, 1986 in Book 16715, Page 588; as affected by Assignment and Assumption Agreement to Ann & Hope of Rhode Island, Inc., a Massachusetts corporation, dated December 31, 1991 and recorded January 27, 1992 in Book 21712, Page 13; affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Arsenal Mall LLC, a Massachusetts limited liability company, and SPG Arsenal, L.P., a Delaware limited partnership, dated October 27, 1999 and recorded October 28, 1999 in Book 30808, Page 195; affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Watertown Arsenal Associates, a Massachusetts limited liability company, and SPG Arsenal HCHP, LLC, a Delaware limited liability company, dated October 27, 1999 and recorded October 28, 1999 in Book 30808, Page 264; as further affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between EDF Watertown, LLC, a Massachusetts limited liability company, and EDF Watertown II, LLC, a Massachusetts limited liability company, dated June

1, 2001 and recorded June 1, 2001 in Book 32981, Page 402; as further affected by a Notice Regarding Supplemental Agreement by and between EDF Watertown, LLC, a Massachusetts limited liability company, The Stop & Shop Supermarket Company, a Delaware corporation and Home Depot U.S.A., Inc., dated February 19, 2001, a Notice of which is dated June 1, 2001 and recorded June 1, 2001 in Book 32981, Page 415; further affected by Assignment and Assumption of Reciprocal Easement Agreement and Other Documents by and between Ann & Hope Watertown Associates, a Massachusetts limited partnership, Ann & Hope Marketplace, Inc., a Massachusetts corporation, Ann & Hope of Rhode Island, Inc., a Massachusetts corporation, and EDF Watertown, LLC, a Massachusetts limited liability company, dated June 1, 2001 and recorded June 1, 2001 in Book 32981, Page 331, as further affected by an Assignment and Assumption Agreement by and between SPG Arsenal, L.P., SPG Arsenal HCHP, LLC, EDF Watertown, LLC and BP Watertown Retail, LLC dated August 8, 2013 and recorded in Book 62423, Pages 137, 149 and 162. (as amended, the "COREA").

PARCEL II - FEE SIMPLE

Condominium Unit 1 of that certain condominium known as EDF Watertown Condominium, situated at 615 Arsenal Street, Watertown, Middlesex County, Massachusetts, created by Master Deed, dated June 1, 2001, recorded with said Deeds on June 1, 2001, Book 32981, Page 350, together with the percentage interest in the common areas and facilities of said Condominium and all other interests appurtenant to the Units as set forth in said Master Deed, and in the By-Laws of said Condominium recorded in Book 32981, Page 371 .

Project Chimera, Inc.

April 17, 2017

Laurent Audoly
34, rue de la Balance
31000 Toulouse
France

Dear Laurent:

On behalf of Project Chimera (the "Company"), I am pleased to offer you employment with the Company on the following terms and conditions.

1. **Position.** You will be employed by the Company as its Chief Executive Officer, reporting directly to the Board of Directors (the "Board"). It is contemplated that you will commence full time employment on or about September 5, 2017 (the "Start Date") and you shall work out of the Company's office in Cambridge, Massachusetts. 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, and shall not engage in any other employment, consulting or other business activity (whether full-time or part-time) without the prior written consent of the Board.
2. **Base Salary.** You will receive an annualized salary of \$400,000.00 (the "Base Salary"). All payments will be subject to legally required tax withholdings.
3. **Bonus.** During the term of your employment with the Company, you will be eligible to receive an annual incentive bonus for each fiscal year (pro rated for any partial years, including the current year) of the Company commencing with the year ended December 31, 2017 with a target of up to thirty five percent (35%) of your annual Base Salary. The bonus criteria will be established by the Board and based on achieving certain corporate goals. Except in the case of an Involuntary Termination (as defined below), payment of any annual incentive bonus shall be (i) subject to Board approval, (ii) contingent upon you being employed by the Company as of the last day of the year to which the annual bonus relates, and (iii) no later than March 15th of the year following the close of the year to which it relates.
4. **Relocation.** Upon commencement of your employment, and to assist with your family's relocation, the Company will pay you a one time sign-on bonus of \$65,000 and will reimburse reasonable business-related expenses of up to \$60,000. The details of this be finalized prior to your Start Date. The sign-on bonus will be paid with 45 days after execution of this Agreement, through transfer to the bank account to be designated by the CEO. The sign-on bonus and relocation expenses are fully repayable by you should you leave the Company prior to your second anniversary of employment.

5. **Equity.** Subject to the approval of the Board, at such times as the Company issues and sells shares of its capital stock for capital raising purposes, it shall grant to you at your elections, either a restricted stock award for a number of shares of the Company's common stock (the "Restricted Shares") or stock options to purchase a number of shares of the Company's common stock (the "Options"), which number when added to the shares of common stock then held by you or then issuable upon exercise of Options then held by you, totals up to 4.0% of the Company's fully diluted capitalization (reflecting outstanding capital stock and stock options) following such issuance and sale; provided, however, that the Company shall have no obligation to grant to you Restricted Shares or Options hereunder until such time as the Company has issued and sold securities having an aggregate purchase price of at least \$25,000,000 in a Series A Preferred offering. The Restricted Shares and/or Options will vest as to 25% of the underlying shares twelve (12) months from the Start Date and will vest as to the balance in equal monthly installments of 2.08% thereafter until the fourth anniversary of the Start Date and will otherwise be subject to the terms and conditions of a restricted stock agreement, stock option agreement, and/or stock plan (the "Grant Documents"). In connection with each grant provided for above, you shall be entitled to elect to receive such grant in Restricted Shares or Options, provided that any grant of Restricted Shares shall be subject to the payment by you to the Company in such manner as may be agreed by you and the Company of an amount equal to the Company's withholding obligation with respect to federal, state, local and other taxes in respect of the Restricted Shares; and provided further that any Options granted hereunder shall have an exercise price per share equal to the fair market value of the Company's common stock at the time of grant as determined by the Board. Provided you remain employed by the Company through the applicable grant date, you may be entitled to additional option grants and/or awards of additional restricted shares (the "Additional Grants") that the Board may elect to grant in its sole discretion. Any unvested portion of the Restricted Shares, Options, and/or Additional Grants will fully vest if you are subject to an Involuntary Termination on or within twelve (12) months following a Change in Control. In addition, you will be issued performance options ("Performance Options") equal to 1.0% of the Company's fully diluted capitalization at the end of the Series A financing. The Performance Options will vest in their entirety (if you are actively employed as the Chief Executive Officer of the Company) at the earlier of (i) the closing of any future financing at a price per share which is greater than or equal to 10x the price per share of the seed financing and 5x the price per share of the Series A financing or (ii) a sale of the Company that results, at closing, in cash proceeds per share for the seed investors which are greater than or equal to 10x price per share of the seed financing and 5x the price per share of the Series A financing.

6. **Benefits.** You will also be eligible to participate in benefits programs offered by the Company subject to the same terms, conditions and limitations applicable to other employees of the Company, including but not limited to healthcare benefits. You will also be entitled to three (3) weeks paid vacation per year. You shall also be entitled to receive prompt reimbursement for all reasonable business expenses incurred by you in performing your services to the Company, in accordance with the policies and procedures then in effect and established by the Company for its senior executives.
7. **Severance Benefits.**
 - a. **General.** If you are subject to an Involuntary Termination, then you will be entitled to the benefits described in this Section 7. However, this Section 7 will not apply unless you: (i) have returned all Company property in your possession on or prior to your last day of employment, (ii) have resigned as a member of the Board of Directors of any subsidiary of the Company, to the extent that you are then a director of any such subsidiary, and (iii) have entered into a separation agreement that has become enforceable and irrevocable and that includes a general release of all employment-related claims that you may have against the Company or persons affiliated with the Company (the "Separation Agreement"); provided that, no term of this offer letter or the Separation Agreement shall impact or affect, in any way, your rights with respect to, and the Separation Agreement shall not include a waiver or release of any claims related to: (x) your status as a shareholder or equity holder of the Company or any rights you have under the terms of any Grant Document or any other equity award or agreement between you and the Company, including any claims with respect to any Restricted Shares, options or other equity owned or held by you at the time your employment is terminated, or (y) any rights to indemnification from the Company, pursuant to any applicable governing documents of the Company or any applicable written agreement between you and the Company, rights under ERISA or rights which, as a matter of law, cannot be waived. The Separation Agreement must be in substantially the form reasonably prescribed by the Company. If you fail to execute without revocation the Separation Agreement, you shall be entitled to the Accrued Obligations only and no other severance payments or benefits. The continued salary provided under Section 7(b)(ii) below shall be paid in accordance with the Company's normal payroll practices and shall commence on the next payroll date falling after the date the Separation Agreement becomes enforceable and irrevocable. .
 - b. **Severance.** If you are subject to an Involuntary Termination, then:
 - i. The Company shall pay you the Accrued Obligations earned through the your last day of employment within on or before the time required by law but in no event more than fifteen (15) days after your last day of employment with the Company, except to the extent such payment would accelerate compensation in a manner inconsistent with compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code");

- ii. The Company shall continue to pay you your Base Salary as in effect on your last day of employment for a period of six (6) months;
- iii. By March 15th of the year following the year in which the termination occurs, the Company will pay you a prorated bonus based on the Board's assessment of the extent to which the performance criteria associated with the bonus have been satisfied, such payment to be made in accordance with the Company's normal payroll practices, less all customary and required taxes and employment-related deductions;
- iv. If you are participating in the Company's group health plan immediately prior to your last day of employment and you elect COBRA health continuation, then the Company shall pay you a monthly cash payment for six (6) months, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to you if you had remained employed by the Company; provided, however, that such Company-paid premiums may be recorded as additional income pursuant to Section 6041 of the Code and not entitled to any tax qualified treatment to the extent necessary to comply with or avoid the discriminatory treatment prohibited by the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Reconciliation Act of 2010 or Section 105(h) of the Code.
- v. Twenty-five percent (25%) of the unvested portion of each grant of Restricted Shares, each Option and each Additional Grant will fully vest as of the date of the Involuntary Termination: provided, however, that: (i) no shares may be transferred and no stock option exercised (in each case with respect to the unvested portion) until the Separation Agreement has become enforceable and irrevocable and (ii) if the Separation Agreement does not become enforceable and irrevocable in accordance with this offer letter, the portions of the Restricted Shares, Options and Additional Grants that have vested as a result of this provision shall be cancelled effective as of the date of the Involuntary Termination.

The payments and benefits described in Section 7(b)(ii)-(v) above shall hereinafter be referred to as the "Severance." If you are terminated for any reason other than as result of an Involuntary Termination, you shall be entitled to receive the Accrued Obligations only.

8. **Representation Regarding Other Obligations.** This offer of employment is contingent upon your signing the Company's Invention, Non-Disclosure, Non-Competition and Non-Solicitation Agreement (the "Invention Agreement") 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 on your first day of employment. You hereby represent to the Company that you are not a party to any other agreements of any type which may impact or limit your ability to perform your job at the Company.
9. **Tax Matters.** All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You hereby acknowledge that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities and you will not make any claim against the Company or the Board related to tax liabilities arising from your compensation.
10. **Interpretation, Amendment and Enforcement.** This offer letter, along with the Invention Agreement and the Grant Documents, constitute the complete agreement between you and the Company, contain all the terms of your employment, and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. The terms of this offer letter and the resolution of any disputes as to the meaning, effect, performance or validity of this offer letter or arising out of, related to, or in any way connected with, this offer letter, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be governed by Massachusetts law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in the Commonwealth of Massachusetts in connection with any Dispute or any claim related to any Dispute.
11. **Other Terms.** It is also important for you to understand that Massachusetts is an "at will" employment state. This means that you will have the right to terminate your employment relationship with the Company at any time for any reason, subject to the terms of Section 6 hereof. Similarly, the Company will have the right to terminate its employment relationship with you at any time for any reason, again, subject to the terms of Section 6 hereof.
12. **Definitions.** The following terms have the meaning set forth below wherever they are used in this letter agreement:
 - a. "Accrued Obligations" means: (i) any earned but unpaid Base Salary as of the date your employment is terminated, (ii) any accrued, but unused vacation time as of your termination date, (iii) any vested benefits you may have under any employee benefit plan of the Company as of your termination date, (iv) any unpaid expense reimbursements accrued prior to the date your employment is terminated, and (v) any unpaid but earned bonus for a fiscal year preceding the year in which your employment is terminated.

- b. “Cause” means (i) your material breach of the Invention Agreement, (ii) your conviction of, or your plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State, (iii) your gross negligence or willful misconduct in the performance of your duties (iv) your continuing failure to perform assigned duties after receiving written notification of the failure from the Company’s Board of Directors or (v) your failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested your cooperation; provided, however, that “Cause” shall not be deemed to have occurred pursuant to subsection (iv), or (v) hereof unless you have first received written notice from the Board specifying in reasonable detail the particulars of such grounds and that the Company intends to terminate your employment hereunder for such grounds and you have failed to cure such grounds within a period of thirty (30) days from the date of such notice.
- c. “Change in Control” means the occurrence of any one or more of the following events, in each case only to the extent that such event also constitutes a “change in ownership” of the Company or a “change in the ownership of a substantial part of the Company’s assets” for the purposes of Section 409A of the Code: (i) the consummation of a merger or consolidation of the Company with any other entity, other than a merger or consolidation in which voting securities of the Company outstanding immediately prior thereto continue to represent more than fifty percent (50%) percent of the total voting power 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 immediately after such merger or consolidation; (ii) the acquisition of all of the Company’s outstanding capital stock by a single person or entity or a group acting in concert to effect such acquisition; or (iii) the sale, transfer or exclusive license of all or substantially all of the assets of the Company.
- d. “Involuntary Termination” means either: (i) your Termination Without Cause or (ii) your Resignation for Good Reason.
- e. “Resignation for Good Reason” means a Separation as a result of your resignation within three (3) months after one of the following conditions has come into existence without your consent:
 - i. A reduction in your Base Salary by more than 10% (unless such reduction is part of a broad-based salary reduction applicable to the Company’s senior management);

- ii. A material diminution of your authority, duties or responsibilities; or
- iii. A relocation of your principal workplace by more than forty (40) miles.

A Resignation for Good Reason will not be deemed to have occurred unless you give the Company written notice of the condition within ninety (90) days after the condition comes into existence and the Company fails to remedy the condition within thirty (30) days after receiving your written notice.

- f. "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.
- g. "Termination Without Cause" means a Separation as a result of a termination of your employment by the Company without Cause, provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

We are excited about having you join the Company. Please return your acceptance of this offer by signing below and returning the signed copy to the Company by May 1, 2017.

Very truly yours,

Project Chimera, Inc.

/s/ Bruce Booth

Bruce Booth
Chairman

I have read and accept this offer of employment:

Signature: /s/ Laurent Audoly
Laurent Audoly

April 29, 2017
Date

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[***]”. SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

MASTER COLLABORATION AGREEMENT
BETWEEN
VERTEX PHARMACEUTICALS INCORPORATED
AND
KYMERA THERAPEUTICS, INC.

MASTER COLLABORATION AGREEMENT

This Master Collaboration Agreement (this “**Agreement**”) is entered into as of May 9, 2019 (the “**Effective Date**”) by and between Vertex Pharmaceuticals Incorporated, a corporation organized under the laws of The Commonwealth of Massachusetts (“**Vertex**”) and Kymera Therapeutics, Inc., a corporation organized under the laws of The State of Delaware (“**Company**”). Vertex and Company each may be referred to herein individually as a “**Party**” or collectively as the “**Parties**.”

RECITALS

WHEREAS, Company owns or controls certain Patents and Know-How, technology and expertise relating to proteolysis targeting chimeras;

WHEREAS, Vertex is a biopharmaceutical company that possesses expertise in developing and commercializing human therapeutics;

WHEREAS, Vertex and Company desire to enter into a strategic collaboration focused on the development of novel Degraders (as defined below) directed against certain Targets; and

WHEREAS, Vertex desires to receive from Company, and Company desires to grant to Vertex, a series of exclusive options, on a Target-by-Target basis, to cause Company to grant an exclusive license to exploit products containing Degraders directed against such Target;

NOW, THEREFORE, in consideration of the respective covenants, representations, warranties and agreements set forth herein, the Parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

For purposes of this Agreement, the following capitalized terms will have the following meanings:

1.1 “**Acquisition Transaction**” has the meaning set forth in Section 5.8.

1.2 “**Action**” has the meaning set forth in Section 13.12.

1.3 “**Addition Date**” has the meaning set forth in Section 2.3.2.

1.4 “**Adverse Event**” has the meaning set forth in the Applicable Law for such term (or comparable term), and will generally mean any untoward medical occurrence in a subject in any Clinical Trial or patient who has received a pharmaceutical product, medical device or placebo, and which does not necessarily have a causal relationship with such pharmaceutical product, medical device or placebo, including any unfavorable and unintended sign (including an abnormal laboratory finding), symptom or disease temporally associated with the use of the applicable pharmaceutical product, medical device or placebo whether or not related to such pharmaceutical product, medical device or placebo.

1.5 “**Affiliate**” means, as of any point in time and for so long as such relationship continues to exist with respect to any Person, any other Person that controls, is controlled by or is under common control with such Person. A Person will be regarded as in control of another Person if it (a) owns or controls, directly or indirectly, more than 50% of the equity securities of the subject Person entitled to vote in the election of directors (or, in the case of a Person that is not a corporation, for the election of the corresponding managing authority), or (b) possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person (whether through ownership of securities or other ownership interests, by contract or otherwise).

1.6 “**Agreement**” has the meaning set forth in the Preamble.

1.7 “**Agreement Know-How**” has the meaning set forth in Section 1.9.

1.8 “**Agreement Patents**” has the meaning set forth in Section 1.9.

1.9 “**Agreement Technology**” means (a) any and all Know-How discovered, developed, invented or created solely by a Party or its Affiliates or Third Parties acting on its or their behalf, or jointly by both Parties or their respective Affiliates or Third Parties acting on their behalf, in each case, in the performance of activities under this Agreement (the “**Agreement Know-How**”) and (b) any and all Patents that Cover any such Know-How described in clause (a) (the “**Agreement Patents**”).

1.10 “**Alliance Manager**” has the meaning set forth in Section 3.4.1.

1.11 “**Applicable Law**” means all applicable laws, statutes, rules, regulations and other pronouncements having the effect of law of any federal, national, multinational, state, provincial, county, city or other political subdivision, agency or other body, domestic or foreign, including any applicable rules, regulations, guidelines, or other requirements of the Regulatory Authorities that may be in effect from time to time, including the United States Federal Food, Drug, and Cosmetic Act, as amended, GCP, GLP and GMP, anti-bribery laws, such as the United States Anti-Kickback Statute, Foreign Corrupt Practices Act and UK Bribery Act, as well as all applicable data protection and privacy laws, rules and regulations, including the United States Department of Health and Human Services privacy rules under the Health Insurance Portability and Accountability Act, as amended, and the Health Information Technology for Economic and Clinical Health Act and the EU General Data Protection Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, along with other country-level data protection laws, as may be applicable.

1.12 “**Approval Application**” means an NDA or similar application or submission for a Licensed Product filed with a Regulatory Authority in a country or group of countries to obtain marketing approval for a pharmaceutical product in that country or group of countries, including any amendment thereof.

1.13 “**Assessment Time**” means, with respect to a Terminated Target, the later of: (a) [***], *provided that*, if, prior to the date on which such Collaboration Target became a Terminated Target, the Research Term with respect to such Collaboration Program was extended pursuant to Section 2.4, this clause (b) shall be extended to the date that is the [***] of the Effective Date.

1.14 “**Audited Party**” has the meaning set forth in Section 7.12.

1.15 “**Auditing Party**” has the meaning set forth in Section 7.12.

1.16 “**Available Target**” has the meaning set forth in Section 2.3.1.

1.17 “**Bankrupt Party**” has the meaning set forth in Section 5.5.

1.18 “**Bankruptcy Code**” has the meaning set forth in Section 5.5.

1.19 “**Blocking Third Party Intellectual Property**” means, with respect to a Collaboration Compound or Licensed Product in any country, Patents or Know-How in such country owned or controlled by a Third Party (but not then included in Licensed Technology) that are necessary or useful to Research, Develop, Manufacture or Commercialize (with respect to Know-How) such Collaboration Compound or Licensed Product in such country.

1.20 “**Blocking Third Party Intellectual Property Costs**” means Out-of-Pocket Costs, comprising upfront payments, milestones, royalties and any portion of other license fees or other payments arising out of the Research, Development, Manufacturing or Commercialization of a Collaboration Compound or Licensed Product and paid by Vertex to a Third Party who owns or controls Blocking Third Party Intellectual Property to license or acquire the rights to such Blocking Third Party Intellectual Property. For clarity, Blocking Third Party Intellectual Property Costs shall not include [***].

1.21 “**Breaching Party**” means the Party that is believed by the other Party to be in material breach of this Agreement.

1.22 “**Business Day**” means a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in Boston, Massachusetts are authorized or obligated to close.

1.23 “**Calendar Quarter**” means the respective periods of three consecutive calendar months ending on March 31, June 30, September 30 or December 31, during the Term, or the applicable part thereof during the first or last calendar quarter of the Term.

1.24 “**Calendar Year**” means any calendar year ending on December 31, or the applicable part thereof during the first or last year of the Term.

1.25 “**Calendar Year Net Sales**” means, on a Licensed Product-by-Licensed Product basis, total Net Sales by Vertex, its Affiliates and Sublicensees in the Territory of such Licensed Product in a particular Calendar Year.

1.26 “**Candidate Criteria**” means, on a [***], which criteria shall be mutually agreed in writing by the Parties within [***] of the occurrence of the [***].

1.27 “**Candidate Drug**” means, with respect to any Collaboration Program, a Collaboration Compound for such Collaboration Program that has met the Candidate Criteria.

1.28 “**CDA**” has the meaning set forth in Section 1.54.

1.29 “**Change of Control**” means, with respect to a Party, (a) a merger or consolidation of such Party with a Third Party that results in the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent more than 50% of the combined voting power of the surviving entity or the parent of the surviving entity immediately after such merger or consolidation, (b) a transaction or series of related transactions in which a Third Party, together with its Affiliates, becomes the beneficial owner of more than 50% of the combined voting power of the outstanding securities of such Party, or (c) the sale or other transfer to a Third Party of all or substantially all of such Party’s business to which the subject matter of this Agreement relates. Notwithstanding the foregoing, with respect to Company, the term “Change of Control” will not include any sale of shares of capital stock of Company, in a single transaction or series of related transactions in which Company issues new securities to institutional investors for cash or the cancellation or conversion of indebtedness or a combination thereof where such transaction(s) are conducted primarily for *bona fide* equity financing purposes.

1.30 “**Clinical Trial**” means a study in humans that is required to be conducted in accordance with GCP and is designed to generate data in support of an Approval Application.

1.31 “**Collaboration Compound**” means, with respect to a Collaboration Program, (a) [***] and (b) any improvements or modifications thereof developed by or on behalf of either Company or Vertex under this Agreement during the Term.

1.32 “**Collaboration In-License Agreement**” has the meaning set forth in Section 7.7.1.

1.33 “**Collaboration Program**” means, on a [***].

1.34 “**Collaboration Research Term**” means the period beginning on the Effective Date and continuing until the expiration or termination of the last Research Term with respect to the last Collaboration Program.

1.35 “**Collaboration Target**” means (i) any of the Targets listed on Schedule 1.35 as of the Effective Date and (ii) any other Target that is designated as a Collaboration Target pursuant to Section 2.3, but, in each case ((i) and (ii)), excluding any Terminated Target (for clarity, including any Substituted Target).

1.36 “**Combination Product**” has the meaning set forth in Section 1.139.

1.37 “**Commercial Milestone Event**” has the meaning set forth in Section 7.5.2.

1.38 “**Commercial Milestone Payment**” has the meaning set forth in Section 7.5.2.

1.39 “**Commercialization Plan**” has the meaning set forth in Section 6.4.3.

1.40 “**Commercialize**” or “**Commercializing**” means to (a) market, promote, distribute, offer for sale, sell, have sold, import, export or otherwise commercialize a Licensed Product, (b) conduct activities, other than Research, Development and Manufacturing, in preparation for the foregoing activities, including obtaining Price Approval or (c) conduct post-Marketing Approval studies (including Clinical Trials). When used as a noun, “Commercialization” means any activities involved in Commercializing.

1.41 “**Commercially Reasonable Efforts**” means, with respect to the efforts to be expended by any Person with respect to any objective, reasonable, diligent and good faith efforts to accomplish such objective. Without limiting the foregoing, “Commercially Reasonable Efforts” means (A) with respect to the conduct of the Research Activities and Follow-On Research by Company, [***] and (B) with respect to any objective relating to the Development or Commercialization of a Collaboration Compound or Licensed Product by Vertex, [***], taking into account, without limitation, with respect to each Collaboration Compound or Licensed Product, [***]. “Commercially Reasonable Efforts” with respect to any objective relating to the Development or Commercialization of a Collaboration Compound or Licensed Product by Vertex will be [***].

1.42 “**Company**” has the meaning set forth in the Preamble.

1.43 “**Company Agreement Know-How**” means any Degradation Agreement Know-How and any other Agreement Know-How solely owned by Company pursuant to Section 8.1.2(d).

1.44 “**Company Agreement Patent**” means any Degradation Agreement Patent and any other Agreement Patent solely owned by Company pursuant to Section 8.1.2(d).

1.45 “**Company Background Know-How**” means, on a Collaboration Target-by-Collaboration Target basis, any Know-How, other than Company Agreement Know-How or Joint Agreement Know-How, that (a) Company or any of its Affiliates Control as of the Effective Date or that comes into the Control of Company or any of its Affiliates during the Term and (b) is necessary or useful for the Research, Development, Manufacture or Commercialization of the Collaboration Compounds or Licensed Products directed against such Collaboration Target. On a Collaboration Target-by-Collaboration Target basis, Company Background Know-How will exclude any Know-How excluded from the Licensed Technology by Vertex pursuant to Section 7.7.

1.46 “**Company Background Patents**” means, on a Collaboration Target-by-Collaboration Target basis, any Patent, other than Company Agreement Patents or Joint Agreement Patents, that (a) Company or any of its Affiliates Control as of the Effective Date or that comes into the Control of Company or any of its Affiliates during the Term and (b) claims any Company Background Know-How or is otherwise necessary or useful for the Research, Development, Manufacture or Commercialization of Collaboration Compounds or Licensed Products directed against such Collaboration Target. A list of Company Background Patents as of the Effective Date is set forth in Schedule 1.46, provided that any Patent that satisfies the definition set forth in this Section 1.46 shall constitute a Company Background Patent hereunder, notwithstanding any failure to list such Patent on Schedule 1.46. On a Collaboration Target-by-Collaboration Target basis, Company Background Patents will exclude any Patents excluded from the Licensed Technology by Vertex pursuant to Section 7.7.

1.47 “**Company Background Technology**” means all Company Background Know-How and Company Background Patents.

1.48 “**Company Breach Event**” has the meaning set forth in Section 11.2.3(a).

1.49 “**Company In-License Agreement**” has the meaning set forth in Section 7.7.

1.50 “**Company Indemnified Party**” has the meaning set forth in Section 10.1.1.

1.51 “**Company Product-Specific Patent**” means any Product-Specific Patent Controlled by Company or its Affiliates, but excluding Joint Product-Specific Patents.

1.52 “**Competitive Infringement**” has the meaning set forth in Section 8.4.2.

1.53 “**Competitive Product**” means, [***], that (a) is approved by the applicable Regulatory Authority, under any then-existing Applicable Laws pertaining to approval of generic products, as a therapeutic equivalent of such Licensed Product as defined in 21 C.F.R. § 314.3(b), which approval relies on the Regulatory Authority’s finding of safety or effectiveness for the Licensed Product, or (b) is otherwise recognized as an “interchangeable” product by the applicable Regulatory Authority.

1.54 “**Confidential Information**” means, with respect to each Party, all Know-How or other information, including proprietary information (whether or not patentable) regarding or embodying such Party’s technology, products, business information or objectives, that is communicated in any way or form by or on behalf of the Disclosing Party to the Receiving Party or its permitted recipients, pursuant to this Agreement or that certain Confidentiality Agreement between Vertex and Company dated August 17, 2018 (the “**CDA**”), whether or not such Know-How or other information is identified as confidential at the time of disclosure. For clarity, the Degradation Platform shall be the Confidential Information of Company. Notwithstanding the foregoing, Confidential Information does not include any Know-How or information that: (a) was already known by the Receiving Party (other than under an obligation of confidentiality to the Disclosing Party) at the time of disclosure by or on behalf of the Disclosing Party; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (c) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party, other than through any act or omission of the Receiving Party in breach of its obligations under this Agreement; (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 the Receiving Party; or (e) was independently discovered or developed by or on behalf of the Receiving Party without the use of any Confidential Information belonging to the Disclosing Party. Confidential Information disclosed to the Receiving Party hereunder will not be deemed to fall within the foregoing exceptions merely because broader or related information falls within such exceptions, nor will combinations of elements or principles be considered to fall within the foregoing exceptions merely because individual elements of such combinations fall within such exceptions. Without limiting the foregoing, and notwithstanding clauses (a), (d) and (e) of the preceding sentence: (i)

the terms of this Agreement will be considered Confidential Information of both Parties, with both Parties deemed to be the Receiving Party of such Confidential Information; (ii) except as expressly set forth in clause (iii), any Know-How that is subject to a Party's ownership rights under this Agreement shall be deemed to be the Confidential Information of such Party and the other Party shall be deemed to be the Receiving Party of such Know-How; (iii) any Know-How or other information specifically regarding a Collaboration Target, or any Collaboration Compound or Licensed Product directed against such Collaboration Target, that is generated after the Effective Date pursuant to activities contemplated by this Agreement will be deemed to be (x) the Confidential Information of both Parties, with both Parties deemed to be the Receiving Party of such Confidential Information prior to and until the applicable License Effective Date (if any) and (y) the Confidential Information of Vertex commencing after the applicable License Effective Date (if any), with Company deemed to be the Receiving Party of such Confidential Information after the applicable License Effective Date (if any); and (iv) subject to Sections 5.10 and 5.11, any Know-How or other information specifically regarding a Terminated Target, or any Collaboration Compound, Licensed Product or Reversion Product directed against such Terminated Target, will be deemed to be the Confidential Information of Company, with Vertex deemed to be the Receiving Party of such Confidential Information.

1.55 "**Control**" or "**Controlled**" means with respect to a Party any Know-How, Patent or Materials, possession of the ability by such Party or its Affiliate (whether by sole or joint ownership, license or otherwise), other than pursuant to this Agreement, to grant, without violating the terms of any agreement with a Third Party, a license, access or other right in, to or under such Know-How, Patent or Materials. Notwithstanding anything in this Agreement to the contrary, a Party and its Affiliates will be deemed to not Control any Know-How, Patents or Materials that are owned or controlled by a Third Party described in the definition of "Change of Control," or such Third Party's Affiliates (other than an Affiliate of such Party prior to the Change of Control), (a) prior to the closing of such Change of Control, except to the extent that any such Know-How, Patents or Materials were developed by such Third Party prior to such Change of Control using or incorporating such Party's or its pre-existing Affiliate's Know-How, Patents or Materials, or (b) after such Change of Control to the extent that such Know-How, Patents or Materials are developed or conceived by such Third Party or its Affiliates (other than such Party) after such Change of Control without using or incorporating such Party's or its pre-existing Affiliate's Know-How, Patents or Materials. Company and its Affiliates shall not be deemed to Control any Patents or Know-How licensed to Company pursuant to a Company In-License Agreement entered into after the Effective Date unless such Company In-License Agreement becomes a Collaboration In-License Agreement in accordance with Section 7.7.

1.56 "**Cover**," "**Covering**" or "**Covers**" means (a) as to a compound or product and Patent, that, in the absence of a license granted under, or ownership of, such Patent, the making, using, selling, offering for sale or importation of such compound or product would infringe such Patent or, as to a pending claim included in such Patent, the making, using, selling, offering for sale or importation of such compound or product would infringe such Patent if such pending claim were to issue in an issued patent without modification, (b) as to Know-How and a Patent, that, in the absence of a license granted under, or ownership of, such Patent, the use or practice of such Know-How would infringe such Patent or, as to a pending claim included in such Patent, the use or practice of such Know-How would infringe such Patent if such pending claim were to issue in an issued patent without modification and (c) as to a compound, product or technology and Know-How, that the exploitation of such compound, product or technology incorporates, uses, employs, embodies, or practices such Know-How.

1.57 “**CREATE Act**” means the Cooperative Research and Technology Enhancement Act of 2004, 35 U.S.C. § 103(c)(2)-(c)(3).

1.58 “**Defending Party**” has the meaning set forth in Section 8.3.

1.59 “**Degrader**” means a heterobifunctional molecule designed to affect the degradation Target of interest comprising [***].

1.60 “**Degrader Agreement Know-How**” has the meaning set forth in Section 8.1.2(b).

1.61 “**Degrader Agreement Patents**” has the meaning set forth in Section 8.1.2(b).

1.62 “**Degrader Agreement Technology**” has the meaning set forth in Section 8.1.2(b).

1.63 “**Degrader Platform**” means Company’s proprietary Know-How with respect to [***], including any such proprietary Know-How with respect to [***] together with any and all Patents owned or Controlled by Company or its Affiliates that Cover any of the foregoing Know-How. For clarity, Know-How of Company shall be considered proprietary if it is described in the specification of, or otherwise Covered in, a Patent owned or Controlled by Company or its Affiliates, whether or not such Patent has published (*provided that* such patent has not been abandoned), or incorporates, uses, employs, embodies or practices Know-How owned or Controlled by Company or its Affiliates.

1.64 “**Development**” means, with respect to a Collaboration Compound or Licensed Product, all clinical and non-clinical research and development activities conducted after filing of an IND for such Collaboration Compound or Licensed Product, including toxicology, pharmacology test method development and stability testing, process development, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, Clinical Trials (other than post-Marketing Approval Clinical Trials), regulatory affairs, pharmacovigilance, Clinical Trial regulatory activities and obtaining and maintaining Marketing Approval. When used as a verb, “Develop” or “Developing” means to engage in Development.

1.65 “**Development Milestone Event**” has the meaning set forth in Section 7.5.1.

1.66 “**Development Milestone Payment**” has the meaning set forth in Section 7.5.1.

1.67 “**Development Plan**” has the meaning set forth in Section 6.1.2.

1.68 “**directed against**” means, with respect to a Degrader and a Target, that such Degrader affects the degradation of such Target.

1.69 “**Disclosing Party**” has the meaning set forth in Section 12.1.

1.70 “**Dispute**” has the meaning set forth in Section 13.13.

1.71 “**Distracted Party**” has the meaning set forth in Section 5.8.

1.72 “**Distracting Product**” has the meaning set forth in Section 5.8.

1.73 “**Distributor**” means a Third Party to whom Vertex or its Affiliates or Sublicensees grant a right to sell or distribute a Licensed Product, that purchases its requirements for such Licensed Product from Vertex or its Affiliates or Sublicensees, has no significant responsibility for marketing and promotion of the Licensed Product, and does not otherwise make any royalty or other payments to Vertex or its Affiliates or Sublicensees with respect to its intellectual property rights or Licensed Products, including any payments that are calculated on the basis of a percentage of, or profit share on, such Third Party’s sale of Licensed Products.

1.74 “**Divest**” means, with respect to a Distracting Product, the sale, exclusive license or other transfer by the applicable Party and its Affiliates of all of their development and commercialization rights with respect to such Distracting Product to a Third Party without the retention or reservation of any development or commercialization obligation, interest or participation rights (other than solely an economic interest or the right to enforce customary terms contained in the relevant agreements effectuating such transaction).

1.75 “**DOJ**” has the meaning set forth in Section 4.1.2(a).

1.76 “**Early OEDP**” has the meaning set forth in Section 2.6.

1.77 “**Effective Date**” has the meaning set forth in the Preamble.

1.78 “**EMA**” means the European Medicines Agency and any successor entity thereto.

1.79 “**European Commission**” means the European Commission or any successor entity that is responsible for granting marketing approvals authorizing the sale of pharmaceuticals in the European Union.

1.80 “**European Union**” or “**EU**” means (a) the economic, scientific and political organization of member states as it may be constituted from time to time, which as of the Effective Date consists of Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom of Great Britain and Northern Ireland and that certain portion of Cyprus included in such organization, (b) any member country of the European Economic Area that is not otherwise a member of the European Union, and (c) any country not otherwise included in clauses (a) or (b) that participates in the unified filing system under the auspices of the EMA. For clarity, European Union will at all times be deemed to include each of Italy, Germany, France, the United Kingdom and Spain.

1.81 “**Exclusive Area**” means (a) with respect to a Collaboration Target or a Reserved Target (other than the additional Reserved Target to be mutually agreed by the Parties following the Effective Date), [***], (b) with respect to the additional Reserved Target to be mutually agreed by the Parties following the Effective Date, the Exclusive Area mutually agreed by the Parties with respect to such additional Reserved Target pursuant to Section 2.2.5 and (c) with respect to any Target (other than a Reserved Target) that is designated as a Collaboration Target pursuant to Section 2.3, the Exclusive Area mutually agreed by the Parties with respect to such Collaboration Target pursuant to Section 2.3.

- 1.82 “**Exclusive License**” has the meaning set forth in Section 5.1.1.
- 1.83 “**Executive Officers**” means the [***].
- 1.84 “**Existing Third Party Agreement**” means [***].
- 1.85 “**FDA**” means the United States Food and Drug Administration and any successor entity thereto.
- 1.86 “**FD&C Act**” means the United States Federal Food, Drug, and Cosmetic Act, as amended, and the rules and regulations promulgated thereunder.
- 1.87 “**Field**” means all therapeutic, prophylactic, palliative, analgesic and diagnostic uses in humans and animals.
- 1.88 “**First Commercial Sale**” means with respect to a Licensed Product, [***]; *provided that* the following will not constitute a First Commercial Sale: [***].
- 1.89 “**Follow-On Research**” has the meaning set forth in Section 2.7.
- 1.90 “**Follow-On Research Budget**” has the meaning set forth in Section 2.7.
- 1.91 “**Follow-On Research Plan**” has the meaning set forth in Section 2.7.
- 1.92 “**Force Majeure**” means a condition, the occurrence and continuation of which is beyond the reasonable control of a Party, including an act of God, governmental acts or restrictions, war, civil commotion, labor strike or lock-out, epidemic, flood, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe.
- 1.93 “**FTC**” has the meaning set forth in Section 4.1.2(a).
- 1.94 “**FTE**” means [***], which number of hours shall be pro-rated based on the number of days when used for [***], devoted to or in support of the Research Activities or Follow-On Research that is carried out by one or more qualified scientific or technical employees (excluding Third Party contractors) of Company or its Affiliates.
- 1.95 “**FTE Costs**” means, for any period, the FTE Rate multiplied by the number of FTEs who perform a specified activity under this Agreement. FTEs will be pro-rated on a daily basis if necessary.

1.96 “**FTE Rate**” means, with respect to [***]; *provided that* such rate will increase or decrease on January 1 of each Calendar Year (starting with January 1, 2020) in accordance with the percentage year-over-year increase or decrease in the Consumer Price Index - Urban Wage Earners and Clerical Workers, US City Average, All Items, 1982-84 = 100, published by the United States Department of Labor, Bureau of Labor Statistics (or its successor equivalent index) over the 12-month period preceding each such January 1. The FTE Rate includes (a) all wages and salaries, employee benefits, bonus, travel and entertainment, supplies and other direct expenses and (b) indirect allocations, including all general and administrative expenses, human resources, finance, occupancy and depreciation, in each case ((a) and (b)), expended in connection with such Follow-On Research.

1.97 “**GAAP**” means United States generally accepted accounting principles, consistently applied.

1.98 “**GCP**” means good clinical practices, which are the then-current standards for Clinical Trials for pharmaceuticals, as set forth in the FD&C Act or other Applicable Law, and such standards of good clinical practice as are required by the Regulatory Authorities of the European Union and other organizations and governmental authorities in countries for which the applicable Collaboration Compound or Licensed Product is intended to be Developed, to the extent such standards are not less stringent than United States standards.

1.99 [***].

1.100 “**GLP**” means the then-current good laboratory practice standards promulgated or endorsed by the FDA as defined in 21 C.F.R. Part 58, or the successor thereto, or comparable regulatory standards in jurisdictions outside of the United States as they may be updated from time to time, to the extent such standards are not less stringent than United States standards.

1.101 “**GMP**” means the then-current Good Manufacturing Practices as specified in the United States Code of Federal Regulations, ICH Guideline Q7A, or equivalent laws, rules or regulations of an applicable Regulatory Authority at the time of manufacture.

1.102 “**Governmental Authority**” means any court, agency, department, authority or other instrumentality of any national, state, county, city or other political subdivision.

1.103 “**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.104 “**HSR Clearance Date**” means the earliest date on which the Parties have actual knowledge that all applicable waiting periods under the HSR Act with respect to the transactions contemplated under this Agreement upon Vertex’s exercise of an Option with respect to a Collaboration Target have expired or have been terminated.

1.105 “**HSR Filing**” means a filing by Company and Vertex or their ultimate parent entities as that term is defined in the HSR Act with the FTC and the DOJ of a Notification and Report Form for Certain Mergers and Acquisitions (as that term is defined in the HSR Act) with respect to the transactions contemplated under this Agreement upon Vertex’s exercise of an Option with respect to a Collaboration Target, together with all required documentary attachments thereto.

1.106 **“In-License Costs”** means (a) all royalties payable by Company or any of its Affiliates to any Third Party under the Collaboration In-License Agreements based on Net Sales of any Collaboration Compound or Licensed Product, [***] under all Collaboration In-License Agreements and (b) all milestone payments payable by Company or any of its Affiliates to a Third Party under the Collaboration In-License Agreements in respect of the achievement of any milestone event by a Collaboration Compound or Licensed Product, which milestone event is achieved on or after the License Effective Date with respect to the applicable Vertex Target, [***].

1.107 **“IND”** means any Investigational New Drug application (including any amendment or supplement thereto) filed with the FDA pursuant to Part 312 of Title 21 of the U.S. Code of Federal Regulations, including any amendments thereto or if applicable, a comparable application or submission filed with a Regulatory Authority outside the U.S. for the investigation of any product in any other country or group of countries (such as a Clinical Trial Application in the EU).

1.108 **“Indemnified Party”** has the meaning set forth in Section 10.1.3.

1.109 **“Indemnifying Party”** has the meaning set forth in Section 10.1.3.

1.110 **“Indication”** means a separate and distinct disease or medical condition in humans (a) that a compound or product that is in Clinical Trials is intended to treat in such Clinical Trials, or (b) for which a compound or product has received a separate and distinct marketing authorization approval with an approved label claim to treat such disease or condition, as applicable.

1.111 **“Initial Research Term”** has the meaning set forth in Section 2.4.1.

1.112 **“Initiation”** or **“Initiate”** means, with respect to any Clinical Trial, dosing of the second human subject in such Clinical Trial.

1.113 **“Insolvency Event”** has the meaning set forth in Section 11.2.5.

1.114 **“IP Committee”** has the meaning set forth in Section 3.2.

1.115 **“JAC”** has the meaning set forth in Section 3.1.1.

1.116 **“Joint Agreement Know-How”** means any Agreement Know-How jointly owned by the Parties pursuant to Section 8.1.2(d).

1.117 **“Joint Agreement Patent”** means any Agreement Patent jointly owned by the Parties pursuant to Section 8.1.2(d).

1.118 **“Joint Agreement Technology”** means all Joint Agreement Know-How and Joint Agreement Patents.

1.119 **“Joint Product-Specific Patent”** means any Product-Specific Patent jointly owned by the Parties.

1.120 [***].

1.121 “**Know-How**” means all proprietary data, results, pre-clinical and clinical protocols and data from studies and Clinical Trials, chemical structures, chemical sequences, materials, information, inventions, know-how, formulas, trade secrets, techniques, methods, processes, procedures, technology, practices, knowledge and developments, whether or not patentable; *provided that* Know-How does not include Patents.

1.122 “**Knowledge**” means, with respect to Company, the actual knowledge, following reasonable inquiry of Company personnel and advisors (including outside patent counsel) that would reasonably be anticipated to have knowledge of the facts relating to the relevant subject matter, of [***].

1.123 “**Liability**” has the meaning set forth in Section 10.1.1.

1.124 “**License Effective Date**” means, on a Collaboration Target-by-Collaboration Target basis, (a) if Vertex determines that an HSR Filing is required to be made under the HSR Act as a result of Vertex’s exercise of an Option with respect to a Collaboration Target and notifies Company of such determination within [***] after Vertex’s receipt of the complete OEDP (or otherwise following Vertex’s notification to Company of Vertex’s intent to exercise an Option), the HSR Clearance Date or receipt, as applicable, of any other such antitrust clearance(s) and (b) other than under the circumstances described in clause (a) the delivery by Vertex to the Company of the Option Exercise Notice with respect to the Collaboration Target in accordance with Section 4.1.1; *provided, however*, that if Vertex does not pay the corresponding Option Exercise Fee with respect to a Collaboration Target in accordance with Section 7.4 and following written notice from the Company regarding Vertex’s failure to pay such fee, Vertex fails to cure such payment failure in accordance with Section 11.2.3(b)(i), then the “License Effective Date” for such Collaboration Target will be deemed to not have occurred for purposes of this Agreement and the applicable Collaboration Target for which Vertex exercised such Option will not be a Vertex Target and will be a Terminated Target as of the date of expiration of the cure period for such payment.

1.125 “**Licensed Know-How**” means the Company Background Know-How, the Company Agreement Know-How and Company’s interest in the Joint Agreement Know-How.

1.126 “**Licensed Patents**” means the Company Background Patents, the Company Agreement Patents and Company’s interest in the Joint Agreement Patents.

1.127 “**Licensed Product**” means, on a Vertex Target-by-Vertex Target basis, any pharmaceutical product containing a Candidate Drug or other Collaboration Compound that is directed against such Vertex Target, either alone or in combination with other active pharmaceutical ingredients, including all forms, presentations, strengths, doses and formulations thereof.

1.128 “**Licensed Technology**” means the Licensed Patents and Licensed Know-How.

1.129 [***].

1.130 [***].

1.131 “**Manufacture**” or “**Manufactured**” or “**Manufacturing**” means activities directed to making, having made, producing, manufacturing, processing, filling, finishing, packaging, labeling, quality control testing and quality assurance release, shipping or storage of a Collaboration Compound or Licensed Product.

1.132 “**Marketing Approval**” means, with respect to a Licensed Product in a particular jurisdiction, all approvals (including approvals resulting from any priority review, breakthrough therapy, accelerated approval or fast track application or submission), licenses, registrations or authorizations necessary for the Commercialization of such Licensed Product in such jurisdiction, including, with respect to the United States, approval of an Approval Application for such Licensed Product by the FDA and with respect to the European Union, approval of an Approval Application for such Licensed Product by the European Commission or the applicable Regulatory Authority in any particular country in the EU.

1.133 “**Materials**” means all biological materials, chemical compounds and other materials arising out of a Party’s activities under this Agreement and provided by such Party to the other Party for use by the other Party or otherwise provided by a Party for use by the other Party, in each case, to conduct activities pursuant to this Agreement, including Collaboration Compounds, Clinical Trial samples, cell lines, compounds, lipids, assays, viruses and vectors.

1.134 “**Milestone Event**” has the meaning set forth in Section 7.5.2.

1.135 “**Milestone Payment**” has the meaning set forth in Section 7.5.2.

1.136 “**NDA**” means a new drug application that is submitted to the FDA for marketing approval for a Licensed Product, pursuant to 21 C.F.R. § 314.3.

1.137 “[***] **Notice**” has the meaning set forth in Section 5.12.1.

1.138 “[***] **Notice of Exercise**” has the meaning set forth in Section 5.12.1.

1.139 “**Net Sales**” means the gross invoiced price for Licensed Products sold by Vertex (including sales generated from named patient programs and excluding sales deferred for GAAP accounting purposes until such sales are recognized), its Affiliates or Sublicensees (the “**Selling Party**”) to Third Parties, less the following deductions from such gross amounts:

- (a) [***];
- (b) [***];
- (c) [***];
- (d) [***]; and
- (e) [***].

[***]

[***]

If a sale, transfer or other disposition with respect to a Licensed Product involves consideration other than cash or is not at arm's length, the Net Sales from such sale, transfer or other disposition will be calculated on the average Net Sales price of the Licensed Product in arm's length sales for cash in the relevant country during the same Calendar Quarter as such sale, transfer or other disposition or in the absence of such sales, the fair market value of the Licensed Product as mutually determined by the Parties in good faith.

Solely for purposes of calculating Net Sales, [***] ("**Other Product**") (whether combined in a single formulation or package, as applicable, or formulated separately but packaged under a single label approved by a Regulatory Authority and sold together for a single price) (such combination product, a "**Combination Product**"), Net Sales of such Combination Product for the purpose of determining the payments due to Company pursuant to this Agreement will be calculated by [***]. If the gross selling price of a Licensed Product containing such Collaboration Compound in such country when sold separately in finished form (*i.e.*, without the Other Product) can be determined but the gross selling price of the Other Product in such country cannot be determined, Net Sales in such country for purposes of determining royalty payments will be calculated by multiplying the actual Net Sales of the Combination Product in such country by [***]. If such separate sales are not made in a country, Net Sales will be calculated by [***]. For clarity, pharmaceutical dosage form vehicles, delivery devices, adjuvants and excipients shall be deemed not to be "active ingredients."

1.140 [***].

1.141 "**Non-Bankrupt Party**" has the meaning set forth in Section 5.5.

1.142 "**Non-Breaching Party**" means the Party that believes the other Party is in material breach of this Agreement.

1.143 "**Non-Defending Party**" has the meaning set forth in Section 8.3.

1.144 [***].

1.145 "**OEDP**" means, with respect to a Collaboration Target, an option exercise data package containing the information set forth on Schedule 1.145 with respect to all Collaboration Compounds directed against such Collaboration Target that exist as of the date of delivery of the OEDP.

1.146 "**Option**" has the meaning set forth in Section 4.1.1.

1.147 "**Option Deadline**" has the meaning set forth in Section 4.1.1.

1.148 "**Option Exercise**" has the meaning set forth in Section 4.1.1.

1.149 "**Option Exercise Fee**" has the meaning set forth in Section 7.4.

1.150 "**Option Exercise Notice**" has the meaning set forth in Section 4.1.1.

1.151 “**Other Product**” has the meaning set forth in Section 1.139.

1.152 “**Out-of-Pocket Costs**” means, with respect to a Party, costs and expenses paid by such Party or its Affiliates to Third Parties (or payable to Third Parties and accrued in accordance with GAAP), other than employees of such Party or its Affiliates.

1.153 “**Party**” or “**Parties**” has the meaning set forth in the Preamble.

1.154 “**Patent Challenge**” has the meaning set forth in Section 11.2.3(b)(ii).

1.155 “**Patents**” means the rights and interests in and to issued patents and pending patent applications in any country, jurisdiction or region (including inventor’s certificates and utility models), including all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals, renewals and all patents granted thereon, and all reissues, reexaminations, extensions, confirmations, revalidations, registrations and patents of addition thereof, including patent term extensions and supplementary protection certificates, international patent applications filed under the Patent Cooperation Treaty (PCT) and any foreign equivalents to any of the foregoing.

1.156 “**Person**” means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision or department or agency of a government.

1.157 “**Phase 1 Clinical Trial**” means any Clinical Trial as described in 21 C.F.R. §312.21(a), or, with respect to a jurisdiction other than the United States, a similar Clinical Trial.

1.158 “**Phase 2 Clinical Trial**” means any Clinical Trial as described in 21 C.F.R. §312.21(b), or, with respect to a jurisdiction other than the United States, a similar Clinical Trial.

1.159 “**Preexisting Affiliate**” means, with respect to a Party that is subject to a Change of Control, any Affiliate of such Party following such Change of Control that was an Affiliate of such Party prior to such Change of Control.

1.160 “**Price Approval**” means, in any country where a Governmental Authority authorizes reimbursement for, or approves or determines pricing for, pharmaceutical products, receipt (or, if required to make such authorization, approval or determination effective, publication) of any government approval, agreement determination or decision establishing such reimbursement authorization or pricing approval or determination.

1.161 “**Proceeding**” means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation that is, has been or may in the future be commenced, brought, conducted or heard at law or in equity or before any Governmental Authority.

1.162 “**Product-Specific Patent**” means, with respect to a given Licensed Product directed against a Vertex Target, any Patent that (a) specifically claims (i) the composition of matter of the Degradator that comprises or is included in such Licensed Product, (ii) any method of making such composition or (iii) any use of such composition in the Field, and (b) does not claim any Degradator directed against a target that is not such Vertex Target. For clarity, a Product-Specific Patent may claim the composition of matter of other Degradators that do not comprise or are not included in such Licensed Product, or any method of making such composition or use of such composition in the Field, *provided that* all such Degradators are directed against such Vertex Target.

1.163 “**Program Degradator**” has the meaning set forth in Section 11.4.2(f).

1.164 “**Proof of Target in Cell Degradation**” means, with respect to a Collaboration Target, that (a) a Collaboration Compound directed against such Collaboration Target (other than a Collaboration Compound arising out of Follow-On Research for such Collaboration Target) has satisfied the criteria set forth on Schedule 1.164, or (b) with respect to a Collaboration Compound arising out of Follow-On Research for a Collaboration Target, such Collaboration Compound has satisfied such updated criteria as mutually agreed by the Parties pursuant to Section 2.7 with respect to such Follow-On Research.

1.165 “**Prosecution and Maintenance**” or “**Prosecute and Maintain**” means, with regard to a Patent, the preparing, filing, prosecuting and maintenance of such Patent, as well as handling re-examinations and reissues with respect to such Patent, together with the conduct of interferences, derivation proceedings, the defense of oppositions, post-grant patent proceedings (such as inter partes review and post grant review) and other similar proceedings with respect to the particular Patent. For clarification, “**Prosecution and Maintenance**” or “**Prosecute and Maintain**” will not include any other enforcement actions taken with respect to a Patent.

1.166 “**Receiving Party**” has the meaning set forth in Section 12.1.

1.167 “**Registration Enabling Clinical Trial**” means a Clinical Trial of a product in any country in the world that (a) satisfies the requirements of U.S. 21 C.F.R. Part 312.21(c), as amended, or its foreign counterpart as prescribed by the applicable Regulatory Authority, or (b) is intended, or otherwise acknowledged by the FDA or its foreign counterpart, to (i) provide substantial evidence, as defined at 21 U.S.C. Section 355(d), that the product is safe and efficacious for its intended use, (ii) define contraindications, warnings, precautions and adverse reactions that are associated with the product in the dosage range to be prescribed, and (iii) support Marketing Approval for such product without the need to conduct additional Clinical Trials.

1.168 “**Regulatory Authority**” means, with respect to a country in the Territory, any national (*e.g.*, the FDA), supra-national (*e.g.*, the European Commission, the Council of the European Union, or the EMA), regional, state or local regulatory agency, department, bureau, board, commission, council or other Governmental Authority that holds responsibility for development and commercialization of, and the granting of Marketing Approval for a pharmaceutical product in such country or region.

1.169 “**Regulatory Exclusivity**” means, with respect to a Licensed Product in a country, any data exclusivity rights or other exclusive right, other than a Patent, granted, conferred or afforded by any Regulatory Authority in such country or otherwise under Applicable Law with respect to such Licensed Product in such country, which either confers exclusive marketing rights with respect to a product or prevents another party from using or otherwise relying on the data supporting the approval of the Marketing Approval for a product without the prior written authorization of the Marketing Approval holder, as applicable, such as new chemical entity exclusivity, exclusivity associated with new Clinical Trials necessary to approval of a change (*e.g.*, new indication or use), orphan drug exclusivity, non-patent-related pediatric exclusivity, or any other applicable marketing or data exclusivity, including any such periods under national implementations in the EU of Article 10 of Directive 2001/83/EC, Article 14(11) of Parliament and Council Regulation (EC) No 726/2004, Parliament and Council Regulation (EC) No 141/2000 on orphan medicines, Parliament and Council Regulation (EC) No 1901/2006 on medicinal products for pediatric use and all international equivalents.

1.170 “**Regulatory Filings**” means, collectively: (a) all INDs, Approval Applications, establishment license applications, Drug Master Files, applications for designation as an “Orphan Product(s)” under the Orphan Drug Act, for “Fast Track” status under Section 506 of the FD&C Act (21 U.S.C. § 356) or for a Special Protocol Assessment under Section 505(b)(4)(B) and (C) of the FD&C Act (21 U.S.C. § 355(b)(4)(B)) and all other similar filings (including counterparts of any of the foregoing in any country or region in the Territory); (b) any applications for Marketing Approval or Price Approval and other applications, filings, dossiers or similar documents submitted to a Regulatory Authority in any country for the purpose of obtaining Marketing Approval or Price Approval from that Regulatory Authority; (c) any Patent-related filings with any Regulatory Authority; (d) all supplements and amendments to any of the foregoing; (e) all documents referenced in the complete regulatory chronology for each Marketing Approval, (f) foreign equivalents of any of the foregoing, and (g) all data and other information contained in, and correspondence with any Regulatory Authority relating to, any of the foregoing.

1.171 “**Research**” means conducting research activities to discover, design, optimize, deliver and advance Collaboration Compounds and Licensed Products, including pre-clinical studies and optimization, but specifically excluding Development, Manufacture and Commercialization. When used as a verb, “Researching” means to engage in Research.

1.172 “**Research Activities**” has the meaning set forth in Section 2.2.1.

1.173 “**Research Outline**” has the meaning set forth in Section 2.2.1.

1.174 “**Research Plan**” has the meaning set forth in Section 2.2.1.

1.175 “**Research Term**” means, on a Collaboration Program-by-Collaboration Program basis, the Initial Research Term for such Collaboration Program and any extension of such Initial Research Term, if any, extended in accordance with Section 2.4.

1.176 “**Research Term Extension Fee**” has the meaning set forth in Section 2.4.

1.177 “**Research Term Extension Notice**” has the meaning set forth in Section 2.4.

1.178 “**Reserved Target**” means any of the five reserved Targets set forth on Schedule 1.178 or the additional reserved Target to be mutually agreed by the Parties pursuant to Section 2.2.5, if any.

1.179 “**Residual Knowledge**” means knowledge, techniques, experience and Know-How that are (a) reflected in any Confidential Information owned or Controlled by the Disclosing Party and (b) retained in the unaided memory of any authorized representative of the Receiving Party after having access to such Confidential Information. A Person’s memory will be considered to be unaided if the Person has not intentionally memorized the Confidential Information for the purpose of retaining and subsequently using or disclosing it. In no event, however, will Residual Knowledge include any knowledge, techniques, experience and Know-How to the extent (at any time, for such time) within the scope of any Patent owned or Controlled by the Disclosing Party.

1.180 “**Reversion Product**” has the meaning set forth in Section 11.4.2(f).

1.181 “**Royalty Term**” means, with respect to a Licensed Product in a country, the period commencing on the First Commercial Sale of such Licensed Product in such country and ending upon the latest of: (a) the expiration of the last Valid Claim of a Licensed Patent, Vertex Agreement Patent or Joint Agreement Patent, in each case, that Cover such Licensed Product in such country; (b) 10 years after the First Commercial Sale of such Licensed Product in such country; or (c) expiration of Regulatory Exclusivity in such country with respect to such Licensed Product.

1.182 “**Secondary Indication**” means, with respect to a Licensed Product and a regulatory jurisdiction, any Indication that (a) is not the first Indication for which such Licensed Product has received Marketing Approval (and, if applicable, Price Approval) in such regulatory jurisdiction and (b) is not an Ultra-Rare Indication in such jurisdiction.

1.183 “**Selling Party**” has the meaning set forth in Section 1.139.

1.184 “**Subcontractor**” means a consultant, subcontractor, academic researcher or other vendor engaged by a Party to conduct activities on behalf of such Party or its Affiliate under this Agreement.

1.185 “**Sublicense**” means, directly or indirectly, to sublicense, grant any other right with respect to, or agree not to assert, the rights granted to Vertex hereunder. When used as a noun, “Sublicense” means any agreement to Sublicense.

1.186 “**Sublicensee**” means an Affiliate or Third Party, other than a Distributor, to whom Vertex (or a Sublicensee or Affiliate) sublicenses any of the rights granted to Vertex hereunder during the Term.

1.187 “**Substituted Target**” means any former Collaboration Target that has been replaced by an Available Target pursuant to Section 2.3.1.

1.188 “**Substitution Date**” has the meaning set forth in Section 2.3.1.

1.189 “**Supply Cost**” means (i) the actual fully-burdened cost to Company or its Affiliates for the Manufacture of a Collaboration Compound or Licensed Product, as applicable, calculated in accordance with GAAP and (ii) for a Collaboration Compound or Licensed Product or any component thereof that Company or its Affiliate purchases from a Third Party, the price paid to such Third Party to purchase such Collaboration Compound or Licensed Product, *provided that* under no circumstances will (a) Supply Costs incurred by Company’s Affiliates be double-counted or (b) any mark-up among Company and its applicable Affiliates be included as a Supply Cost.

1.190 “**Target**” means a specific protein that is associated with an [***] (together with any and all naturally occurring mutations, variants and alternative sequences thereof).

1.191 “**Term**” has the meaning set forth in Section 11.1.

1.192 “**Terminated Target**” means (a) any Substituted Target and (b) any Collaboration Target with respect to which this Agreement has been terminated in accordance with any of the provisions of Section 11.2.1, Section 11.2.2, Section 11.2.3, and Section 11.2.5. For clarity, (i) if Vertex does not exercise its Option with respect to a Collaboration Target prior to the Option Deadline in accordance with Section 4.1.1, this Agreement shall automatically terminate with respect to such Collaboration Target in accordance with Section 11.2.1 and such Collaboration Target shall become a Terminated Target and (ii) if this Agreement is terminated in its entirety pursuant to any of the provisions of Section 11.2.1, Section 11.2.2, Section 11.2.3, and Section 11.2.5, all Collaboration Targets shall be Terminated Targets.

1.193 “**Terminated Other Target**” means any Terminated Target that, as of the Assessment Time, is not a Terminated Vertex Target.

1.194 “**Terminated Other Target Notice**” has the meaning set forth in Section 5.11.2(a).

1.195 “**Terminated Other Target Notice of Exercise**” has the meaning set forth in Section 5.11.2(a).

1.196 “**Terminated Vertex Target**” means any [***].

1.197 “**Terminated Vertex Target Notice**” has the meaning set forth in Section 5.11.1.

1.198 “**Terminated Vertex Target Notice of Exercise**” has the meaning set forth in Section 5.11.1.

1.199 “**Territory**” means worldwide.

1.200 “**Third Party**” means any Person other than Vertex, Company or their respective Affiliates.

1.201 “**Third-Party Infringement Claim**” has the meaning set forth in Section 8.3.

1.202 “**Ultra-Rare Indication**” means [***].

1.203 “**United States**” or “**U.S.**” means the United States of America and all of its districts, territories and possessions.

1.204 “**Valid Claim**” means a claim (a) of any issued, unexpired United States or foreign Patent, which has not, in the country of issuance, been donated to the public, disclaimed, held invalid or unenforceable by a court of competent jurisdiction in an unappealed or unappealable decision, or (b) of any United States or foreign patent application, which has not, in the country in question, been cancelled, withdrawn, or abandoned. Notwithstanding the foregoing, on a country-by-country basis, a patent application pending for more than five years will not be considered to have any Valid Claim for purposes of this Agreement unless and until a patent that meets the criteria set forth in clause (a) above with respect to such application issues.

1.205 “**Validated Lead Identification**” means, with respect to a Collaboration Target, that (a) a Collaboration Compound directed against such Collaboration Target (other than a Collaboration Compound arising out of Follow-On Research for such Collaboration Target) has satisfied the criteria set forth on Schedule 1.205, or (b) with respect to a Collaboration Compound arising out of Follow-On Research for a Collaboration Target, such Collaboration Compound has satisfied such updated criteria as mutually agreed by the Parties pursuant to Section 2.7 with respect to such Follow-On Research.

1.206 “**Vertex**” has the meaning set forth in the Preamble.

1.207 “**Vertex Activities**” has the meaning set forth in Section 2.2.4.

1.208 “**Vertex Agreement Know-How**” means any Vertex Component Agreement Know-How and any other Agreement Know-How solely owned by Vertex pursuant to Section 8.1.2(d).

1.209 “**Vertex Agreement Patent**” means any Vertex Component Agreement Patent and any other Agreement Patent solely owned by Vertex pursuant to Section 8.1.2(d).

1.210 “**Vertex Agreement Technology**” means all Vertex Agreement Know-How and Vertex Agreement Patents.

1.211 “**Vertex Assigned Patent**” has the meaning set forth in Section 8.1.3.

1.212 “**Vertex Background Know-How**” means, on a Collaboration Target-by-Collaboration Target or Vertex Target-by-Vertex Target (with respect to Follow-On Research) basis, any Know-How, other than Vertex Agreement Know-How and Joint Agreement Know-How, that is Controlled by Vertex or its Affiliates as of the Effective Date or during the Term and is necessary or useful to perform the Research Activities allocated to Company under each Research Plan or the Follow-On Research with respect to such Collaboration Target or Vertex Target, as applicable.

1.213 “**Vertex Background Patent**” means, on a Collaboration Target-by-Collaboration Target or Vertex Target-by-Vertex Target (with respect to Follow-On Research) basis, any Patent, other than Vertex Agreement Patents or Joint Agreement Patents, that is Controlled by Vertex or its Affiliates as of the Effective Date or during the Term and is necessary or useful to perform the Research Activities allocated to Company under each Research Plan or the Follow-On Research with respect to such Collaboration Target or Vertex Target, as applicable.

1.214 “**Vertex Background Technology**” means the Vertex Background Know-How and the Vertex Background Patents.

1.215 “**Vertex Component**” has the meaning set forth in Section 2.2.1.

1.216 “**Vertex Component Agreement Know-How**” has the meaning set forth in Section 8.1.2(c).

1.217 “**Vertex Component Agreement Patents**” has the meaning set forth in Section 8.1.2(c).

1.218 “**Vertex Component Agreement Technology**” has the meaning set forth in Section 8.1.2(c).

1.219 “**Vertex Indemnified Party**” has the meaning set forth in Section 10.1.2.

1.220 “**Vertex Reversion Technology**” means, with respect to a Terminated Other Target, any Know-How or Patents [***] that (a) [***] or (b) [***].

1.221 “**Vertex Target**” means any Collaboration Target for which Vertex has exercised its Option under this Agreement in accordance with Section 4.1.1 and for which a License Effective Date has occurred.

1.222 “**Vertex Technology**” means the Vertex Background Technology, the Vertex Agreement Technology and Vertex’s interest in the Joint Agreement Technology.

ARTICLE 2 RESEARCH

2.1 **Research Overview.** On a Collaboration Program-by-Collaboration Program basis, in accordance with the terms and conditions of this Agreement, Company will use Commercially Reasonable Efforts to perform the activities set forth in the Research Plan for such Collaboration Program for the purpose of generating Candidate Drug(s) directed against the applicable Collaboration Target for Vertex to advance through Clinical Trials and bring to patients as commercial products in the Field following its Option Exercise with respect to the applicable Collaboration Target. The Parties acknowledge that the Collaboration Programs could result in the identification of no Candidate Drug(s) for a given Collaboration Program or multiple Candidate Drugs for such Collaboration Program.

2.2 Research Activities.

2.2.1 **Development and Approval of Research Plans.** During the Research Term with respect to each Collaboration Program, Company (through its Affiliates or Subcontractors) will use Commercially Reasonable Efforts to conduct activities under such Collaboration Program in accordance with a separate research plan (each, a “**Research Plan**”), focused on [***]. In its conduct of the activities under the Research Plan (the “**Research Activities**”), Company will use Target protein binding components proposed by Vertex at the JAC in all Degraders and Candidate Drugs developed by or on behalf of Company under this Agreement (each such Target protein binding component, together with any derivatives thereof, a “**Vertex Component**”). Each Vertex Component proposed by Vertex may either be proprietary to Vertex

or its Affiliates or a publicly-known or available Target protein binding component. For clarity, Company will make the determination, in good faith, on the Vertex Components to use with the Degraders and Candidate Drugs from those proposed by Vertex for each Collaboration Target within [***] of Vertex's proposal of Vertex Components for such Collaboration Target. To the extent Vertex uses any Confidential Information of Company or any Licensed Technology to identify or select the Vertex Component(s) to be used for a given Collaboration Program, such identification and selection activities shall be deemed to be "Vertex Activities" under this Agreement in accordance with Section 2.2.4. All Research Activities contemplated to be conducted by the Company under each Research Plan shall occur at Company's sole cost and expense. For the initial Collaboration Targets set forth on Schedule 1.35, within [***] following the Effective Date, Company will prepare and provide to the JAC for review and discussion (a) with respect to at least [***] Collaboration Targets, a Research Plan for the Collaboration Program for each such Collaboration Target or (b) with respect to each Collaboration Target for which Company does not provide a Research Plan as set forth in clause (a), an outline of the proposed Research Activities to be conducted under a subsequent Research Plan for the Collaboration Program for such Collaboration Target (a "**Research Outline**"). Each Research Plan provided will set forth [***]. In no event shall any Research Plan or Research Outline include any activities of Vertex other than those set forth in the first sentence of Section 2.2.4 without Vertex's prior written consent. For a Collaboration Program for which Company provided a Research Outline, within [***] following Company's selection of the Vertex Components to use with the Degraders and Candidate Drugs directed against the applicable Collaboration Target, Company shall provide to Vertex a Research Plan based on the previously provided Research Outline for such Collaboration Program; *provided that* Company shall not be required to provide more than one Research Plan within any such [***] period, regardless of the number of Collaboration Programs for which a Research Plan would be due. In the event of any inconsistency between a Research Plan or a Research Outline and this Agreement, the terms of this Agreement will prevail. Following the designation of any new Collaboration Target pursuant to Section 2.3, Company will promptly prepare and provide to the JAC for review and discussion either a Research Plan or a Research Outline for such new Collaboration Target, which Research Plan or Research Outline, as applicable, shall meet the requirements set forth in this Section 2.2.1.

2.2.2 **Amendments to Research Plans.** Company may amend any Research Plan at any time during the applicable Research Term to reflect any material developments or adjustments to the applicable Collaboration Program, *provided that* (a) any such amended Research Plan shall at all times meet the requirements set forth in Section 2.2.1 and (b) in no event shall any additional or amended activities of Vertex be included in any amendments to a Research Plan except as expressly provided in Section 2.2.4. Company will promptly provide any such amended Research Plan to the JAC for review and discussion.

2.2.3 **Decision-Making.** Company shall have the final decision-making authority with respect to activities of Company relating to each Collaboration Program under this Agreement prior to Option Exercise with respect to the corresponding Collaboration Target, including [***]; *provided that* any such decision is consistent with the terms and conditions of this Agreement.

2.2.4 **Vertex Activities.** With respect to each Collaboration Program, Vertex shall, upon Company's reasonable request, in accordance with the applicable Research Plan, conduct the Vertex assays set forth in Schedule 1.164 or Schedule 1.205, as applicable, to determine the satisfaction of the applicable criteria for the Milestone Events for [***] as set forth in Section 7.5.1. For the avoidance of doubt, any activities by or on behalf of Vertex to determine the applicable criteria for the Milestone Events for [***] shall be contemplated in the applicable Research Plan and shall be considered activities under this Agreement. If Company requests that Vertex conduct any other activities, Vertex may agree to conduct such activities in its sole discretion and, following any such mutual agreement, such activities shall be added to the applicable Research Plan for such Collaboration Program in accordance with Section 2.2.2. All activities of Vertex under this Section 2.2.4 (collectively, the "**Vertex Activities**") shall be conducted at Vertex's sole cost and expense in accordance with the applicable Research Plan.

2.2.5 **Selection of Additional Reserved Target.** Following the Effective Date, the Parties may mutually agree upon an additional protein Target to be added as a Reserved Target under this Agreement. In such event, the Parties will discuss and mutually agree upon the Exclusive Area for such Reserved Target, which Exclusive Area shall be recorded in a written acknowledgement duly executed by both Parties.

2.3 **New Collaboration Targets.**

2.3.1 **Collaboration Target Substitution.** At any time during the Term, Company may, following discussion at the JAC, substitute a Reserved Target or other Target for a Collaboration Target under this Agreement; *provided that* (a) prior to any substitution, Company shall provide written notice to Vertex of Company's desire to substitute a Collaboration Target, which notice shall include, if applicable, [***] (b) within [***] of Vertex's receipt of such notice, Vertex shall identify for Company in writing the Reserved Targets and such other listed Targets that Vertex would accept as substitute Collaboration Targets, if any (each, an "**Available Target**"), and (c) Company may only substitute for a Collaboration Target a Reserved Target or other Target that Vertex has so identified as an Available Target and shall provide written notice to Vertex of such substitution within [***] of receipt of Vertex's list of Available Targets. If Company substitutes an Available Target for a Collaboration Target, (i) such substitution, including the identity of such Available Target, shall be recorded in a written acknowledgement duly executed by both Parties, and the date on which such Available Target is so designated mutually by the Parties shall be the "**Substitution Date**", (ii) as of the Substitution Date, such Available Target shall automatically be deemed to be a Collaboration Target under this Agreement with no further action by the Parties; (iii) as of the Substitution Date, the Substituted Target shall no longer be a Collaboration Target under this Agreement; (iv) as of the Substitution Date, if the added Collaboration Target was a Reserved Target, such added Collaboration Target shall no longer be a Reserved Target under this Agreement; (v) Company shall promptly prepare a Research Plan or Research Outline for the added Collaboration Target meeting the criteria set forth in Section 2.2.1 and provide the Research Plan or Research Outline to the JAC for review and discussion; and (vi) if the added Collaboration Target was not a Reserved Target, the Parties will discuss and mutually agree upon the Exclusive Area for such Collaboration Target, which Exclusive Area shall be recorded in a written acknowledgement duly executed by both Parties. Except as expressly set forth in Section 2.3.2, in no event shall there be more than [***] Collaboration Targets at any given time during the Collaboration Research Term, unless mutually agreed by the Parties.

2.3.2 **Additional Collaboration Targets.** In addition to Company's substitution rights under Section 2.3.1, during the Collaboration Research Term, the Parties may mutually agree to add any Reserved Target or other Target as a Collaboration Target under this Agreement, thereby increasing the total number of Collaboration Targets under this Agreement, *provided that* Vertex shall make a payment to Company in the amount of [***] for each additional Target so added as a Collaboration Target under this Agreement. In such event, (a) such addition, including the identity of the additional Target, shall be recorded in a written acknowledgement duly executed by both Parties, and the date on which such Target is so designated mutually by the Parties shall be the "**Addition Date**"; (b) as of the Addition Date, such additional Target shall automatically be deemed to be a Collaboration Target under this Agreement with no further action by the Parties; (c) as of the Addition Date, if the added Collaboration Target was a Reserved Target, such added Collaboration Target shall no longer be a Reserved Target under this Agreement; (d) Company shall promptly prepare a Research Plan or Research Outline for the added Collaboration Target meeting the criteria set forth in Section 2.2.1 and provide the Research Plan or Research Outline to the JAC for review and discussion; and (e) if the added Collaboration Target was not a Reserved Target, the Parties will discuss and mutually agree upon the Exclusive Area for such Collaboration Target, which Exclusive Area shall be recorded in a written acknowledgement duly executed by both Parties.

2.4 **Research Term.**

2.4.1 On a Collaboration Program-by-Collaboration Program basis, the period beginning on the Effective Date and ending on the earliest to occur of (a) the fourth anniversary of the Effective Date, (b) Vertex's Option Exercise with respect to the applicable Collaboration Target or (c) the effective date of termination of this Agreement (with respect to such Collaboration Program or in its entirety) shall be the "**Initial Research Term**" for such Collaboration Program; *provided that* solely if the earliest to occur is the fourth anniversary of the Effective Date, such period may be extended by Vertex, in its sole discretion, for an additional one-year period on a Collaboration Program-by-Collaboration Program basis for a maximum of [***] Collaboration Programs for which Candidate Drug designation has not yet occurred as of the fourth anniversary of the Effective Date, upon written notice by Vertex to Company ("**Research Term Extension Notice**") and payment by Vertex to Company of a non-refundable, non-creditable extension fee of [***] per Collaboration Program (the "**Research Term Extension Fee**"). Vertex may deliver the Research Term Extension Notice at any time prior to the fourth anniversary of the Effective Date, but no later than [***] prior to the end of the Initial Research Term.

2.4.2 In addition, in the event that Vertex desires to extend the Initial Research Term for more than [***] Collaboration Programs as permitted by Section 2.4.1, Vertex may request an extension of the Initial Research Term for other Collaboration Programs for an additional one-year period and payment by Vertex to Company of a Research Term Extension Fee per Collaboration Program; provided, that, any extension of additional Collaboration Programs shall be subject to Company's consent, such consent to be provided in its sole discretion.

2.4.3 Following the end of the Research Term for a Collaboration Program, neither Party will have any obligation to perform any additional activities under the Research Plan for such Collaboration Program. For clarity, the expiration or termination of the Research Term for a given Collaboration Program will not affect either Party's rights or obligations with respect to any other Collaboration Program for which the Option Deadline has not yet occurred or for which the Research Term has not yet expired or terminated.

2.5 **Research Activities.** Company, directly or through its Affiliates or Subcontractors, will use Commercially Reasonable Efforts to perform the Research Activities in accordance with the applicable Research Plan for such Collaboration Program, in a professional and timely manner and in accordance with all Applicable Laws. The Parties acknowledge that Company may, consistent with Commercially Reasonable Efforts, [***], but in any event Company, directly or through its Affiliates or Subcontractors, will commence at least: [***] subject to Vertex's timely proposal to Company of Vertex Components for use in such Collaboration Programs. [***]. Vertex, directly or through its Affiliates or Subcontractors, will use Commercially Reasonable Efforts to perform the Vertex Activities in accordance with the applicable Research Plan for such Collaboration Program, in a professional and timely manner and in accordance with all Applicable Laws.

2.6 **Option Exercise Data Package.** Within [***] after a Candidate Drug has been identified by Company with respect to a Collaboration Program, Company will provide Vertex with an OEDP for the relevant Collaboration Target, which OEDP, prior to the License Effective Date, shall be used by Vertex solely to determine whether to exercise its Option with respect to such Collaboration Target. If such OEDP is incomplete, Vertex may notify Company of the incomplete status of such OEDP in writing including any items that, in Vertex's reasonable determination made in good faith, should have been included in the OEDP but were not included therein within [***] after receipt thereof. Following receipt of such notice, Company will promptly deliver to Vertex the additional information requested by Vertex to complete such OEDP. For clarity, delivery of such incomplete OEDP shall not trigger the [***] after which the Option Deadline would occur pursuant to Section 4.1.1, but such [***] after which the Option Deadline would occur pursuant to Section 4.1.1 shall thereafter be triggered on the date of Vertex's receipt of the additional information requested by Vertex to complete such OEDP. In addition, Vertex shall have the right to reasonably request additional information relating to the applicable Collaboration Target within [***] after delivery of the OEDP, and Company will respond to such requests promptly with any such additional information that is in its possession or control, which information, prior to the License Effective Date, will be used by Vertex solely to determine whether to exercise its Option with respect to such Collaboration Target; *provided that* Company shall in no event be required to conduct any new or additional Research or other activities to generate any such additional information or records. In addition, upon Vertex's request at any time prior to identification of a Candidate Drug for a Collaboration Target, but no more than [***], Company will provide Vertex with an interim data package containing the information that would be required to be included in an OEDP for such Collaboration Target in the form and to the extent that any such information is then available for any Collaboration Compounds directed against such Collaboration Target (an "Early OEDP"), which Early OEDP, prior to the License Effective Date, shall be used by Vertex solely to determine whether to exercise its Option with respect to such Collaboration Target. For clarity, any such delivery of an Early OEDP under this Section 2.6 shall not constitute delivery of a complete OEDP and shall not trigger the [***] after which the Option Deadline would occur pursuant to Section 4.1.1.

2.7 Follow-On Research. On a Vertex Target-by-Vertex Target basis, following the License Effective Date with respect to such Vertex Target, Vertex may request for Company to conduct additional research activities with respect to Degraders directed against such Vertex Target and Company may agree, in its sole discretion, to conduct such additional research activities. On a Vertex Target-by-Vertex Target basis, any such additional research activities that are mutually agreed by the Parties with respect to such Vertex Target in accordance with this Section 2.7 will be “**Follow-On Research**” for such Vertex Target. Prior to Company commencing any Follow-On Research with respect to a Vertex Target, the Parties shall mutually agree upon (a) a plan for such Follow-On Research, which plan shall specify the duration of such Follow-On Research (the “**Follow-On Research Plan**”), (b) a corresponding budget for such Follow-On Research (the “**Follow-On Research Budget**”) and (c) an update to the criteria on Schedule 1.164 and Schedule 1.205, which updated criteria would apply to Collaboration Compounds arising out of such Follow-On Research for the purpose of determining whether the [***] have been achieved by such Collaboration Compounds. Following the Parties’ agreement on a Follow-On Research Plan with respect to a Vertex Target, Company, directly or through its Affiliates or Subcontractors, will use Commercially Reasonable Efforts to perform the Follow-On Research for such Vertex Target in accordance with such Follow-On Research Plan, in a professional and timely manner and in accordance with all Applicable Laws. Either Party may, at any time, propose updates or amendments to any Follow-On Research Plan, which updates or amendments shall only become effective by mutual agreement of the Parties; *provided that*, if the Parties mutually agree to any such update or amendment, such update or amendment shall not take effect unless and until the Parties agree upon an update to the Follow-On Research Budget (or agree that no such update is necessary) to reflect such update or amendment to the Follow-On Research Plan. In addition, Company may propose updates to any Follow-On Research Budget that, in Company’s good faith judgment, are necessary to complete the activities set forth in the Follow-On Research Plan, and any such request shall be subject to Vertex’s approval, which approval, solely in the case that such update is necessitated by circumstances outside of Company’s reasonable control, shall not be unreasonably withheld, conditioned or delayed. For clarity, if Vertex does not approve such Company proposal, such Follow-On Research Budget shall remain in effect without such update. Vertex shall reimburse Company in accordance with Section 7.9 for Company’s FTE Costs and Out-of-Pocket Costs incurred in conducting such Follow-On Research in accordance with the Follow-On Research Plan and Follow-On Research Budget.

2.8 Transfer of Materials. To facilitate the conduct of activities under each Research Plan: (a) Vertex may, at its election, provide Materials specified by the Research Plan to be transferred by Vertex to Company or otherwise reasonably requested by Company, *provided that*, with respect to any such request for Vertex Components, Vertex shall provide such reasonable amount of such Vertex Components, as determined by Vertex, as are in Vertex’s possession or control; and (b) Company will provide any Materials required by the Research Plan to be transferred by Company to Vertex or otherwise reasonably requested by Vertex. All Materials (i) will remain the sole property of the supplying Party, (ii) will be used only in the fulfillment of the receiving Party’s obligations or exercise of rights under this Agreement, (iii) will remain solely under the control of the receiving Party, (iv) will not be used or delivered by the receiving Party to or for the benefit of any Third Party (other than a permitted Subcontractor or Sublicensee) without the prior written consent of the supplying Party, and (v) will not be used in research or testing involving human subjects, unless expressly agreed. Subject to Section 9.2, all Materials supplied under this Section 2.8 are supplied “as is”, with no warranties of fitness for a particular purpose and must be used with prudence and appropriate caution in any experimental work, as not all of their characteristics may be known.

2.9 **Subcontracting.** Each Party may engage Subcontractors to perform Research Activities, Vertex Activities or Follow-On Research (as applicable); *provided that* each contract between a Party and a Subcontractor shall be consistent with the provisions of this Agreement, including Section 8.1, and shall include confidentiality provisions that are at least as restrictive as those described in ARTICLE 12; and *provided, further, that* Company uses Commercially Reasonable Efforts to include in each such contract an assignment provision that permits Company to assign such contract to Vertex after the applicable License Effective Date, to the extent such contract (i) solely relates to the Collaboration Compounds (and no other products or programs) and (ii) either (x) relates to the Manufacture of Collaboration Compounds or (y) relates to any activity with respect to any Collaboration Compound that is expected to continue after the applicable License Effective Date. Each Party shall be responsible for the effective and timely management of and payment of its Subcontractors. The engagement of any Subcontractor in compliance with this Section 2.9 shall not relieve a Party of its obligations under this Agreement. For the avoidance of doubt, the Existing Third Party Agreement is not and will not be classified as a subcontract hereunder.

2.10 **Records; Reporting.**

2.10.1 **Records.** Each Party shall maintain, and cause its Affiliates and Subcontractors to maintain, records of the Research Activities, Vertex Activities and Follow-On Research (as applicable) in sufficient detail and in good scientific manner appropriate for scientific, patent and regulatory purposes, which shall be complete and accurate in all material respects and shall fully and properly reflect all work done, data and developments made, and results achieved.

2.10.2 **Progress Reports.** During the Research Term with respect to a Collaboration Program, and during any period that Company is conducting Follow-On Research with respect to a Vertex Target, each Party shall furnish to the JAC, within [***] after the end of each Calendar Quarter, an update on such Party's progress under the Research Plan for the applicable Collaboration Program or Follow-On Research Plan for the applicable Vertex Target, as the case may be, with respect to the performance of the Research Activities, Vertex Activities or Follow-On Research (as applicable) during the relevant Calendar Quarter, including a summary of any results and data generated by such Party under such Research Plan or Follow-On Research Plan and an overview of the resources, including an overview of FTEs, allocated to activities under such Research Plan or Follow-On Research Plan during the relevant Calendar Quarter. Each Party shall provide the JAC with such other information with respect to the Collaboration Programs or Follow-On Research as any member of the JAC may reasonably request that are in such Party's possession or control.

**ARTICLE 3
GOVERNANCE**

3.1 **Joint Advisory Committee.**

3.1.1 **Formation.** Within [***] after the Effective Date, the Parties will establish a joint advisory committee (the "JAC") to act as a forum to review, discuss and oversee activities under this Agreement. The JAC will be comprised of [***] from each Party. Each Party's

representatives on the JAC shall be of the seniority and experience appropriate in light of the functions and responsibilities of the JAC. In addition, each Party may invite a reasonable number of additional subject matter experts or relevant personnel of such Party to participate in discussions and meetings of the JAC. Each Party's representatives on the JAC and all other individuals attending or participating in discussions and meetings of the JAC on behalf of a Party will be bound under written confidentiality and non-use obligations with respect to information disclosed at such meeting that are no less restrictive than the provisions of ARTICLE 12. Each Party may replace its representatives on the JAC at any time by providing notice in writing to the other Party. Company will designate the chairperson of the JAC. The chairperson of the JAC will be responsible for setting the agenda for meetings of the JAC with input from the other members, and for conducting the meetings of the JAC. The JAC will conduct its responsibilities hereunder in good faith and with reasonable care and diligence.

3.1.2 **Responsibilities.** The JAC will be responsible for reviewing, discussing and overseeing the Research Activities and the Follow-On Research under this Agreement, but will have no decision-making authority. The JAC will operate as a discussion forum between the Parties. Without limiting the foregoing, the JAC will:

- (a) review and discuss the initial Research Plan or Research Outline for each Collaboration Target;
- (b) review and discuss any amended Research Plan;
- (c) review and discuss all material Research Activities undertaken by or on behalf of Company under a Research Plan, including the exchange and review of data and information generated pursuant to a Research Plan;
- (d) encourage and facilitate cooperation and communication between the Parties with respect to the initiation of Follow-On Research and the conduct of the Research Activities;
- (e) review and discuss activities conducted by or on behalf of Vertex pursuant to Section 2.2.4 or as otherwise agreed to by the Parties;
- (f) discuss the possible substitution of Reserved Targets or other Targets for Collaboration Targets hereunder;
- (g) oversee the transfer of Licensed Technology to Vertex;
- (h) discuss any Follow-On Research proposed by Vertex with respect to a Vertex Target;
- (i) discuss the progress toward preparation of each OEDP; and
- (j) perform such other duties as are specifically assigned to the JAC under this Agreement or as may be otherwise mutually agreed by the Parties from time to time.

3.1.3 **Meetings; Minutes.**

(a) The JAC will meet in person or by teleconference at least [***] each Calendar Quarter on such dates and at such times and places as agreed to by the members of the JAC; *provided that* [***] such meeting per Calendar Year shall be in person unless the Parties agree otherwise. Each Party will be responsible for its own expenses relating to attendance at, or participation in, JAC meetings.

(b) The responsibility for preparing the minutes will alternate between the Alliance Managers on a meeting-by-meeting basis. The Alliance Manager responsible for the minutes will provide the other Alliance Manager and the members of the JAC with draft written minutes for the JAC's approval from each meeting within [***] after each such meeting setting forth, among other things, a description, in reasonable detail, of the discussions at the meeting and a list of any actions, decisions, or determinations approved by the JAC. Such minutes will be effective only after being approved by both Parties. If the minutes of any meeting of the JAC are not approved by the JAC (with each Party's representatives on the JAC collectively having one vote) within [***] after the meeting, the objecting Party will append a notice of objection with the specific details of the objection to the proposed minutes.

3.1.4 **Discontinuation of the JAC.** The JAC's review and discussion responsibilities with respect to a Collaboration Program will continue to exist until the first to occur of (a) the Parties mutually agreeing to terminate such responsibilities with respect to such Collaboration Program and (b) Vertex's election to terminate such responsibilities with respect to such Collaboration Program following completion of the transfer of the Licensed Technology to Vertex for such Collaboration Program; provided, that, the JAC's review and discussion responsibilities will be reinstated with respect to any Follow-On Research for any Vertex Target.

3.2 **IP Committee.** Within [***] after the Effective Date, the Parties will form a committee (the "**IP Committee**"), composed of [***]. The IP Committee will meet in person or by means of telephone or video conference at least [***] each Calendar Quarter during the Term. Each Party may replace its representatives on the IP Committee at any time by providing notice in writing to the other Party. The IP Committee will have no decision-making authority, but will act as a discussion forum between the Parties. In addition, each Party may invite a reasonable number of additional subject matter experts or relevant personnel of such Party to participate in discussions and meetings of the IP Committee. Each Party's representatives on the IP Committee and all other individuals attending or participating in discussions and meetings of the IP Committee on behalf of a Party will be bound under written confidentiality and non-use obligations with respect to information disclosed at such meeting that are no less restrictive than the provision of ARTICLE 12.

3.3 **Other Committees.** The Parties may, by mutual agreement, form such other committees or working groups as may be necessary or desirable to facilitate activities under this Agreement, *provided that* such committees shall have no decision-making authority.

3.4 **Alliance Managers.**

3.4.1 **Appointment.** Each Party will appoint a representative of such Party to act as its alliance manager under this Agreement (each, an "**Alliance Manager**"). Each Party may replace its Alliance Manager at any time upon notice to the other Party. The initial Alliance Managers will be:

For Vertex: [***]

For Company: [***]

3.4.2 **Specific Responsibilities.** The Alliance Managers shall attend all meetings of the JAC but may not be members of the JAC. The Alliance Managers will serve as the primary contact point between the Parties for the purpose of providing each Party with information regarding the other Party's activities pursuant to this Agreement and will have the following responsibilities:

- (a) schedule meetings of the JAC and circulate draft written minutes as provided in Section 3.1.3(b);
- (b) oversee and facilitate the flow of information and otherwise promote communication, coordination and collaboration between the Parties;
- (c) provide a single point of communication for seeking consensus both internally within the respective Party's organization and between the Parties regarding key strategy and planning issues; and
- (d) perform such other functions as requested by the JAC.

ARTICLE 4 EXCLUSIVE OPTION

4.1 Option.

4.1.1 **Option and Option Deadline.** On a Collaboration Target-by-Collaboration Target basis, Company hereby grants to Vertex an exclusive option to obtain the Exclusive License for the corresponding Collaboration Compounds and Licensed Products directed against such Collaboration Target (each an "**Option**"). The Option may be exercised by Vertex on a Collaboration Target-by-Collaboration Target basis by written notice to Company (the "**Option Exercise Notice**") at any time between the initiation of activities under a Research Plan with respect to such Collaboration Target until the earliest of [***] (such deadline, the "**Option Deadline**" and upon delivery of the Option Exercise Notice, an "**Option Exercise**"). If Vertex delivers an Option Exercise Notice to Company with respect to a Collaboration Target, Vertex will pay Company the Option Exercise Fee in accordance with Section 7.4 with respect to such Collaboration Target. On the License Effective Date for the applicable Collaboration Target, (i) such Collaboration Target shall automatically become a "Vertex Target" and (ii) Company will automatically grant to Vertex the Exclusive License for Collaboration Compounds and Licensed Products directed against such Collaboration Target; *provided that*, if Vertex determines that an HSR Filing is required to be made under the HSR Act as a result of Vertex's exercise of an Option with respect to a Collaboration Target and notifies Company of such determination within [***] after Vertex's receipt of the complete OEDP (or otherwise following Vertex's notification to Company of Vertex's intent to exercise an Option), the Parties will promptly file an HSR Filing in

accordance with Section 4.1.2(a); and Vertex's election to exercise the applicable Option will not be effective (and Vertex will not be obligated to make any payment under Section 7.4) until the HSR Clearance Date. On a Collaboration Target-by-Collaboration Target basis, if Vertex fails to provide an Option Exercise Notice in accordance with this Section 4.1.1 with respect to a Collaboration Target prior to the Option Deadline for such Option, the Option shall expire and be of no further force or effect, such Collaboration Target shall no longer be a Collaboration Target and this Agreement shall automatically terminate with respect to such Collaboration Target in accordance with Section 11.2.1 with such Collaboration Target becoming a Terminated Target.

4.1.2 **HSR Compliance.**

(a) **HSR Filing.** If Vertex notifies Company pursuant to Section 4.1.1 that an HSR Filing is required for Vertex to exercise the Option with respect to a Collaboration Target, each of Vertex and Company will, within [***] after such notice from Vertex (or such later time as may be agreed to in writing by the Parties), file with the United States Federal Trade Commission ("FTC") and the Antitrust Division of the United States Department of Justice ("DOJ"), any HSR Filing required with respect to the transactions contemplated hereby. The Parties will cooperate with one another to the extent necessary in the preparation of any such HSR Filing. Each Party will be responsible for its own costs and expenses (other than filing fees, which Vertex will pay) associated with any HSR Filing.

(b) **HSR Clearance.** In furtherance of obtaining clearance for an HSR Filing filed pursuant to this Section 4.1.2, Company and Vertex will use their respective Commercially Reasonable Efforts to resolve as promptly as practicable any objections that may be asserted with respect to this Agreement or the transactions contemplated by this Agreement under any antitrust, competition or trade regulatory law. In connection with such HSR clearance from the FTC, the DOJ or any other governmental authority, neither Party, nor its Affiliates will be required to (i) sell, divest (including through license or a reversion of licensed or assigned rights), hold separate, transfer or dispose of any assets, operations, rights, product lines, businesses or interest therein of such Party or any of its Affiliates (or consent to any of the foregoing actions); or (ii) litigate or otherwise formally oppose any determination (whether judicial or administrative in nature) by a governmental authority seeking to impose any of the restrictions referenced in clause (i) above.

ARTICLE 5 LICENSE GRANTS; EXCLUSIVITY

5.1 **License Grants to Vertex.**

5.1.1 **Exclusive License.** Subject to the terms of this Agreement, on a Vertex Target-by-Vertex Target basis, effective upon the License Effective Date for the applicable Vertex Target, Company hereby grants to Vertex and its Affiliates an exclusive, non-transferable (except as provided in Section 13.1) royalty-bearing license, including the right to grant and authorize Sublicenses in accordance with Section 5.1.3, under Company's and its Affiliates' interests in the Licensed Technology, to Research, Develop, Manufacture, have Manufactured, Commercialize, use and otherwise exploit Collaboration Compounds and Licensed Products directed against the applicable Vertex Target in the Field in the Territory (each, an "**Exclusive License**").

5.1.2 **Research License.** Subject to the terms and conditions of this Agreement, on a Collaboration Target-by-Collaboration Target basis during the Research Term for a Collaboration Target, Company hereby grants to Vertex and its Affiliates a non-exclusive, fully paid-up, non-transferable (except as provided in Section 13.1), royalty-free license in the Territory, with no right to grant sublicenses except to Subcontractors, under the Licensed Technology, solely to perform (a) any Vertex Activities for each Collaboration Program and (b) any other obligations of Vertex expressly set forth in this Agreement or mutually agreed in writing by the Parties.

5.1.3 **Sublicensing.** Vertex and its Affiliates may grant Sublicenses of any Exclusive License through multiple tiers of Sublicenses to one or more Sublicensees. Each such Sublicense will be consistent with, the terms of this Agreement and will require such Sublicensee to comply with all applicable terms of this Agreement. Vertex will, as soon as reasonably practicable thereafter (and in any event within [***]), provide Company with a copy of an executed Sublicense with a Third Party Sublicensee (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 5.1.3), *provided that* Vertex shall have no obligation to provide Company with any copy of any Subcontractor agreement. Each Sublicense will contain the following provisions: [***]. Notwithstanding any Sublicense, Vertex will remain primarily liable to Company for the performance of all of Vertex's obligations under, and responsible for each Sublicensee's compliance with the applicable terms of, this Agreement.

5.1.4 **Limitation.** Notwithstanding any Exclusive License granted to Vertex pursuant to Section 5.1.1, subject to the terms of this Agreement, on a Vertex Target-by-Vertex Target basis, Company will retain non-exclusive rights under the Licensed Technology, solely (a) to perform (i) any Research Activities for each Collaboration Program, (ii) any Follow-On Research and (iii) any other obligations of Company expressly set forth in this Agreement or mutually agreed in writing by the Parties [***].

5.2 **License Grant to Company.** Subject to the terms and conditions of this Agreement, on a Collaboration Target-by-Collaboration Target or Vertex Target-by-Vertex Target basis, Vertex hereby grants to Company and its Affiliates a non-exclusive, fully paid-up, non-transferable (except as provided in Section 13.1), royalty-free license in the Territory, with no right to grant sublicenses except to Subcontractors engaged in accordance with Section 2.9, under the Vertex Technology, solely to perform: (a) any Research Activities for each Collaboration Program, (b) any Follow-On Research and (c) any other obligations of Company expressly set forth in this Agreement or mutually agreed in writing by the Parties.

5.3 **Technology Transfer after Option Exercise.**

5.3.1 **Initial Transfer.** On a Vertex Target-by-Vertex Target basis, Company will promptly (but no later than [***]) following the License Effective Date with respect to a Vertex Target, transfer to Vertex or its designated Affiliate a copy of all Licensed Know-How related to Collaboration Compounds directed against such Vertex Target in its possession or control as of such License Effective Date, including any documentation (whether held in paper or electronic format) or similar removable media (including e-mails, documents, spreadsheets, copies of standard operating procedures or technical specifications). In addition, on a Vertex Target-by-Vertex Target basis, to the extent Company has performed Follow-On Research with respect to such Vertex Target, Company will promptly (but no later than [***]) following completion of such

Follow-On Research, transfer to Vertex or its designated Affiliate a copy of all Licensed Know-How related to Collaboration Compounds directed against such Vertex Target generated under the Follow-On Research in its possession or control as of such date, including any documentation (whether held in paper or electronic format) or similar removable media (including e-mails, documents, spreadsheets, copies of standard operating procedures or technical specifications).

5.3.2 **Additional Transfers.** During the Term, on a Vertex Target-by-Vertex Target basis, in the event that Vertex reasonably believes additional Licensed Know-How is necessary for the continued Research, Development or Commercialization of the Collaboration Compounds directed against such Vertex Target, including Collaboration Compounds generated during any Follow-On Research for such Vertex Target, Vertex may reasonably request a copy of such additional Licensed Know-How from Company. Vertex and Company will discuss in good faith and Company will transfer to Vertex a copy of such additional Licensed Know-How in Company's possession or control, including any documentation (whether held in paper or electronic format) or similar removable media (including e-mails, documents, spreadsheets, copies of standard operating procedures or technical specifications), following mutual agreement by the Parties.

5.3.3 **Transfer of Manufacturing Know-How, Materials and Inventory.**

(a) Without limiting Company's other obligations under Section 5.3, on a Vertex Target-by-Vertex Target basis, within [***] following the License Effective Date with respect to a Vertex Target, Company will, and will cause its Affiliates and relevant Third Parties (including any contract manufacturing organization engaged by Company to Manufacture any Collaboration Compound) to, transfer to Vertex (i) all Licensed Know-How that is necessary or useful to enable the Manufacture of each Collaboration Compound directed against such Vertex Target, by providing copies or samples of relevant documentation, materials and other embodiments of such Licensed Know-How, *provided that*, with respect to any such Licensed Know-How in the possession or control of any such Third Party that is proprietary to such Third Party, Company shall use Commercially Reasonable Efforts to cause such Third Party to conduct such transfer, (ii) at Vertex's reasonable request, any Materials used by Company or its Affiliates or Subcontractors in the Manufacture of such Collaboration Compound and (iii) all existing inventory of such Collaboration Compound (including work in process) in the possession or control of Company, its Affiliates or such Third Parties, together with raw materials used to Manufacture such Collaboration Compound in the possession or control of Company, its Affiliates or such Third Parties as set forth in this Section 5.3.3(a). All existing inventory (including work in process) of such Collaboration Compound in the possession or control of Company, its Affiliates or such Third Parties shall be provided to Vertex free of charge; *provided that*, with respect to such inventory in the possession or control of any such Third Party, Company shall use Commercially Reasonable Efforts to cause such Third Party to conduct such transfer. Raw materials used to Manufacture such Collaboration Compound in the possession or control of Company, its Affiliates or such Third Parties shall be provided to Vertex: (x) in their entirety and free of charge if such raw materials are solely related to such Collaboration Compound or other Collaboration Compounds directed to the applicable Vertex Target, or (y) in amounts to be mutually agreed by the Parties, at the actual price paid by Company for such supply, if such raw materials are related to other Collaboration Programs or other programs of Company.

(b) Thereafter, during the Term, upon Vertex's reasonable request, Company will, and will cause its Affiliates and will use Commercially Reasonable Efforts to cause relevant Third Parties (including any contract manufacturing organization engaged by Company to Manufacture any Collaboration Compound) to, transfer to Vertex all Licensed Know-How that is necessary or useful to enable the Manufacture of each Collaboration Compound directed against such Vertex Target, and not previously transferred to Vertex under this Agreement, by providing copies or samples of relevant documentation, materials and other embodiments of such Licensed Know-How.

5.3.4 **Assistance by Company Personnel.** To assist with the transfer of Licensed Know-How under this Section 5.3 and Vertex's exploitation thereof in accordance with the terms of this Agreement, for [***] after the Option Exercise with respect to each Vertex Target, Company will make its personnel reasonably available to Vertex during normal business hours to transfer such Licensed Know-How to Vertex and respond to Vertex's reasonable inquiries with respect thereto. Following such [***] period with respect to each Vertex Target, upon Vertex's request, Company will make up to [***] that worked on the applicable Collaboration Program reasonably available to Vertex during normal business hours at a mutually agreeable date and time to transfer such Licensed Know-How to Vertex and respond to Vertex's reasonable inquiries with respect thereto, *provided that*, following such [***]. All assistance provided pursuant to this Section 5.3.4 shall be at Company's sole cost and expense; *provided that*, with respect to each Vertex Target, to the extent any assistance is provided by Company either [***].

5.3.5 **Third Party Vendors or Contractors.** On a Vertex Target-by-Vertex Target basis, at Vertex's reasonable request following the License Effective Date with respect to a given Vertex Target, Company will use Commercially Reasonable Efforts to facilitate the establishment of a business relationship between Vertex and any Third Party Subcontractor that Company has engaged in the Research Activities or in the Manufacture of Collaboration Compounds for the applicable Vertex Target, including by facilitating introductions with such Subcontractors, and use Commercially Reasonable Efforts to assign to Vertex any agreements with any such Third Party Subcontractor that are exclusively related to such Vertex Target.

5.3.6 **Costs of Transfer.** Each Party will bear its own costs and expenses in conducting and receiving the technology transfer under this Section 5.3, other than as set forth in clause (y) of Section 5.3.3(a) or in the proviso at the end of Section 5.3.4.

5.4 **No Implied Licenses.** Except as expressly provided in this Agreement, no Party will be deemed by estoppel, implication or otherwise to have granted the other Party any licenses or other right with respect to any intellectual property.

5.5 **Bankruptcy.** All rights and licenses granted under or pursuant to this Agreement by a Party to the other are and will otherwise be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101 of the Bankruptcy Code. The Parties agree that the Parties will retain and may fully exercise all of their rights and elections under the Bankruptcy Code and any foreign equivalent thereto. The Parties further agree that if (x) a bankruptcy proceeding by or against a Party (the "**Bankrupt Party**") is commenced under the Bankruptcy Code, (y) this Agreement is rejected as provided in the Bankruptcy Code, and (z) the other Party (the "**Non-Bankrupt Party**") elects to retain its

rights hereunder as provided in Section 365(n) of the Bankruptcy Code, the Non-Bankrupt Party will be entitled to a complete duplicate of, and complete access to (as the Non-Bankrupt Party deems appropriate), all such intellectual property and all embodiments of such intellectual property. Upon such occurrence, such intellectual property and all embodiments of such intellectual property will be promptly delivered to the Non-Bankrupt Party. The Bankrupt Party (in any capacity, including debtor-in-possession) and its successors and assigns (including any trustee) agrees not to interfere with the exercise by the Non-Bankrupt Party of its rights and licenses to such intellectual property and such embodiments of intellectual property in accordance with this Agreement, and agrees to assist the Non-Bankrupt Party and its Affiliates in obtaining such intellectual property and such embodiments of intellectual property in the possession or control of Third Parties. The foregoing provisions are without prejudice to any rights the Non-Bankrupt Party may have arising under the Bankruptcy Code or other Applicable Law. As used herein, "**Bankruptcy Code**" means Title 11, United States Code, as from time to time in effect.

5.6 **Exclusivity Covenants.**

5.6.1 [***].

(a) Subject to Section 5.6.3, Section 5.7, Section 5.8 and Section 5.9, until the [***] of the Effective Date (or, with respect to any Collaboration Target for which Vertex has extended the applicable Research Term for its Collaboration Program pursuant to Section 2.4, until the [***] of the Effective Date), except in the performance of its obligations or exercise of its rights under this Agreement, neither Party nor any of its Affiliates will [***] with respect to the research, development, manufacture or commercialization of [***].

(b) Subject to Section 5.6.3, Section 5.7, Section 5.8 and Section 5.9, [***], following the License Effective Date [***] until [***], except in the performance of its obligations or exercise of its rights under this Agreement, neither Party nor any of its Affiliates will [***] with respect to the research, development, manufacture or commercialization of [***].

5.6.2 **Exclusivity [***].**

(a) Subject to Section 5.6.2(c), Section 5.7, Section 5.8 and Section 5.9, until the [***] of the Effective Date (or, with respect to [***], until the [***] of the Effective Date), except in the performance of its obligations or exercise of its rights under this Agreement, neither Company nor any of its Affiliates will [***] to research, develop, manufacture or commercialize any [***].

(b) Subject to Section 5.6.2(c), Section 5.7, Section 5.8 and Section 5.9, [***], following the License Effective Date [***] until [***], except in the performance of its obligations or exercise of its rights under this Agreement, neither Company nor any of its Affiliates will [***] to research, develop, manufacture or commercialize any [***].

(c) Notwithstanding anything to the contrary in this Section 5.6.2, Company and its Affiliates independently or for or with any Third Party shall be permitted to conduct research with respect to any Degraded if such research is conducted by Company or its Affiliates or Third Parties in an Exclusive Area (i) as a result of a lack of understanding that a Target that is not a Vertex Target is implicated in such Exclusive Area and (ii) in the course of

research intended to use such Degradar for another Indication that is not in such Exclusive Area, *provided that*, following any research that provides information that such Target is implicated in an Exclusive Area, (A) Company and its Affiliates and Third Parties shall be permitted to reperform such research activities or perform additional research activities, in each case, as reasonably necessary to confirm or disprove that such Target is implicated in an Exclusive Area, (B) except as set forth in the foregoing clause (A), in no event will Company perform any other research, development, manufacture or commercialization (including the grant of any license to any Third Party) with respect to the use of such Degradar in such Exclusive Area and (C) in no event will Company publish, or allow to be published, any information or data regarding the implication of such Target or the use of such Degradar in an Exclusive Area.

(d) For clarity, the use of assays or biomarkers with respect to an Exclusive Area shall not constitute the research or development of a Degradar as a diagnostic in such Exclusive Area.

5.6.3 **Exclusivity for [***]**. Subject to Section 5.7, Section 5.8 and Section 5.9, [***] until [***], neither Company nor any of its Affiliates will [***] with respect to the research, development, manufacture or commercialization of [***].

5.7 **Exceptions**. The Parties hereby acknowledge and agree that (a) neither Party's obligations under Section 5.6 shall apply to any activities intended by such Party or any of its Affiliates to ensure its compliance with Section 5.6 (*e.g.*, counter-screening) and (b) Company's obligations under [***].

5.8 **Acquisition of Distracting Product**. Notwithstanding the provisions of Section 5.6, if a Party or any of its Affiliates (such Party, the "**Distracted Party**") acquires rights to research, develop, manufacture, or commercialize a product in the Field as the result of a merger, acquisition or combination with or of a Third Party other than a Change of Control of such Party (each, an "**Acquisition Transaction**") and, on the date of the closing of such Acquisition Transaction, such product is being researched, developed, manufactured or commercialized and such activities would, but for the provisions of this Section 5.8, constitute a breach of Section 5.6 (such product, a "**Distracting Product**"), the Distracted Party or such Affiliate will, within [***] notify the other Party in writing of such acquisition and either:

(a) request that such Distracting Product be included in this Agreement on terms to be negotiated, in which case, the Parties will discuss the matter in good faith for a period of no less than [***] (or such longer period as may be agreed by the Parties) and, if unable to reach agreement on the terms on which such Distracting Product would be included hereunder within such period, the Distracted Party will elect to take the action specified in either clause (b) or (c) below; *provided that* the time periods specified in such clauses will be tolled for so long as the Parties are engaged in discussion under this clause (a);

(b) notify the other Party in writing that the Distracted Party or its Affiliate will Divest its rights to such Distracting Product, in which case, within [***], the Distracted Party or its Affiliate will Divest such Distracting Product, giving due consideration to ethical concerns and requirements under Applicable Law; or

(c) notify the other Party in writing that it is ceasing all such research, development and commercialization activities with respect to the Distracting Product, in which case, within [***] (or such longer period as may be agreed by the Parties) after the other Party's receipt of such notice, the Distracted Party and its Affiliates will cease all such activities, giving due consideration to ethical concerns and requirements under Applicable Law.

During the discussion period under clause (a), prior to the time of divestiture pursuant to clause (b) or prior to the termination of activities pursuant to clause (c), as applicable, the Distracted Party and its Affiliates will segregate all research, development or commercialization activities relating to the Distracting Product from Research, Development and Commercialization with respect to Collaboration Compounds or Licensed Products under this Agreement, including Commercially Reasonable Efforts to ensure that (i) no personnel involved in performing research, development or commercialization activities with respect to such Distracting Product have access to non-public plans or information relating to the Research, Development or Commercialization of Collaboration Compounds or Licensed Products under this Agreement (except that management personnel may review and evaluate plans and information regarding the Research, Development and Commercialization of Licensed Products under this Agreement in connection with portfolio decision-making) and (ii) no personnel involved in performing Development or Commercialization activities with respect to Collaboration Compounds or Licensed Products under this Agreement have access to non-public plans or information relating to the development or commercialization of such Distracting Product (except that management personnel may review and evaluate plans and information regarding the development and commercialization of such Distracting Product in connection with portfolio decision-making).

5.9 **Change of Control.** If there is a Change of Control involving a Party (the "**Acquired Party**"), the obligations of Section 5.6 will not apply to any program of the relevant acquirer or its Affiliates (other than the Acquired Party and its Preexisting Affiliates); *provided that* (a) the Acquired Party and its Preexisting Affiliates, on the one hand, and the acquirer and its Affiliates (other than the Acquired Party and its Preexisting Affiliates), on the other hand, establish and enforce internal processes, policies, procedures and systems to segregate information relating to any such program from any Confidential Information related to the applicable Collaboration Compounds and Licensed Products under this Agreement, (b) the acquirer and its Affiliates (other than the Acquired Party and its Preexisting Affiliates) do not use, directly or indirectly, any Patents, Know-How or Confidential Information of the Acquired Party (including any Patents, Know-How or Confidential Information licensed or acquired from the other Party under this Agreement) in such program, and (c) no personnel who were employees or consultants of the Acquired Party or its Preexisting Affiliates at any time prior to or after the Change of Control will conduct any activities under such program.

5.10 **Terminated Targets.** Following the expiration of the applicable time period in [***], subject to Section 5.6.2, Section 5.11 and Section 11.4.2, Company will have the right to (i) alone or for or with any Third Party, perform activities with respect to the research, development, manufacture or commercialization of any Degradar directed against any Terminated Target, (ii) grant a license, sublicense, option or other rights to any Third Party to conduct any of the activities in the foregoing clause (i) or (iii) transfer, assign, convey or otherwise sell any Degradar directed against any Terminated Target or any rights in any such Degradar or grant an option to do any of the foregoing; *provided that*, in each case ((i)-(iii)), (x) Company may not use or disclose any

Confidential Information of Vertex in connection with any such activities and (y) solely in the case of a Terminated Vertex Target, any such Degraders do not contain or use any Vertex Component, except for any Vertex Component (A) that was publicly-known or available at the time of Vertex's proposal of such Vertex Component to Company under this Agreement and (B) for which Vertex had not, prior to Vertex's proposal of such Vertex Component to Company under this Agreement, conducted testing of such Vertex Component in a proprietary assay or had otherwise generated proprietary data with respect to such Vertex Component (but solely to the extent such testing or data generation was disclosed to Company at the time such Vertex Component was proposed pursuant to Section 2.2.1).

5.11 **Right of First Negotiation for Terminated Targets.**

5.11.1 **Terminated Vertex Targets.**

(a) Following the applicable exclusivity period under Section 5.6.3 with respect to a Terminated Vertex Target and for a period of [***] thereafter, if Company or its Affiliates researches or develops any Degrader directed against such Terminated Vertex Target and intends to divest rights to or grant a license with respect to such Degrader to a Third Party, prior to entering into negotiations with any Third Party regarding any such divestiture or license, Company shall provide written notice (the "**Terminated Vertex Target Notice**") to Vertex of the general nature of the proposed transaction, which Terminated Vertex Target Notice shall include information similar in nature and scope, taking into account the applicable stage of research or development of such Degrader, to the information that would be required to be included in an OEDP for such Terminated Vertex Target in the form and to the extent that any such information is then available (and in Company's or its Affiliate's possession or control) for such Degrader (including the results of any clinical studies, if applicable), and Vertex shall have an exclusive right of first negotiation to acquire or obtain an exclusive license to such Degrader. Vertex shall have [***] ("**Terminated Vertex Target Notice of Exercise**"). If Vertex provides such a Terminated Vertex Target Notice of Exercise, the Parties will promptly commence exclusive good faith negotiations regarding the terms of an agreement providing for such acquisition or the grant of such exclusive license for a period of up to [***] unless extended by mutual agreement of the Parties, during which period Company shall not engage in any discussions or negotiations with or permit diligence access to any Third Party regarding the acquisition of license of such Degrader. In the event that the Parties fail to reach agreement within [***] (or any such longer period as the Parties may mutually agree) from the date of Vertex's Terminated Vertex Target Notice of Exercise, Company may enter into an agreement with a Third Party with respect to the acquisition or license of such Degrader and Section 5.11.1 shall terminate with respect such Degrader, *provided that* (i) for a period of [***] after the end of such [***] period (or any such longer period as the Parties may mutually agree), Company may only enter into such agreement with such Third Party if the terms thereof are, in the aggregate, more favorable to Company than the most Company-favorable terms offered by Vertex and (ii) if, as of the date that is [***] after the end of such [***] period (or any such longer period as the Parties may mutually agree), Company has not entered into any such agreement with a Third Party, Company may not enter into any such agreement without first complying with this Section 5.11.1(a) with respect to the applicable Degrader (except to the extent negotiations between Company and a Third Party with respect to any such agreement are ongoing as of the end of such [***] or longer period, in which case Company may not enter into any such agreement without first complying with this Section 5.11.1(a) with respect to the applicable Degrader if such negotiations end without execution of any such agreement).

(b) If Vertex does not provide a Terminated Vertex Target Notice of Exercise within [***] following receipt of the Terminated Vertex Target Notice in accordance with Section 5.11.1(a) for a Degradator, then this Section 5.11.1 shall terminate with respect such Degradator and Company may negotiate and enter into with a Third Party with respect to the acquisition or license of such Degradator.

5.11.2 **Terminated Other Targets.**

(a) Following the Assessment Time with respect to a Terminated Other Target and for a period of [***] thereafter, Company or its Affiliates researches or develops any Program Degradator directed against such Terminated Other Target and intends to divest rights to or grant a license with respect to such Program Degradator to a Third Party, prior to entering into negotiations with any Third Party regarding any such divestiture or license, Company shall provide written notice (the “**Terminated Other Target Notice**”) to Vertex of the general nature of the proposed transaction, which Terminated Other Target Notice shall include information similar in nature and scope, taking into account the applicable stage of research or development of such Degradator, to the information that would be required to be included in an OEDP for such Terminated Other Target in the form and to the extent that any such information is then available (and in Company’s or its Affiliate’s possession or control) for such Degradator (including the results of any clinical studies, if applicable), and Vertex shall have an exclusive right of first negotiation to acquire or obtain an exclusive license to such Program Degradator. Vertex shall have [***] after receipt of any such Terminated Other Target Notice from Company to provide Company notice that it desires to exercise such exclusive right of first negotiation (“**Terminated Other Target Notice of Exercise**”). If Vertex provides such a Terminated Other Target Notice of Exercise, the Parties will promptly commence exclusive good faith negotiations regarding the terms of an agreement providing for such acquisition or the grant of such exclusive license for a period of up to [***] unless extended by mutual agreement of the Parties, during which period Company shall not engage in any discussions or negotiations with or permit diligence access to any Third Party regarding the acquisition of license of such Degradator. In the event that the Parties fail to reach agreement within [***] (or any such longer period as the Parties may mutually agree) from the date of Vertex’s Terminated Other Target Notice of Exercise, Company may enter into an agreement with a Third Party with respect to the acquisition or license of such Program Degradator and this Section 5.11.2 shall terminate with respect to such Program Degradator, *provided that* (i) for a period of [***] (or any such longer period as the Parties may mutually agree), Company may only enter into such agreement with such Third Party if the terms thereof are, in the aggregate, more favorable to Company than the most Company-favorable terms offered by Vertex and (ii) if, as of the date that is [***] (or any such longer period as the Parties may mutually agree), Company has not entered into any such agreement with a Third Party, Company may not enter into any such agreement without first complying with this Section 5.11.2(a) with respect to the applicable Degradator (except to the extent negotiations between Company and a Third Party with respect to any such agreement are ongoing as of the end of such [***], in which case Company may not enter into any such agreement without first complying with this Section 5.11.2(a) with respect to the applicable Degradator if such negotiations end without execution of any such agreement).

(b) If Vertex does not provide a Terminated Other Target Notice of Exercise within [***] following receipt of the Terminated Other Target Notice in accordance with Section 5.11.2(a) for a Degradator, then this Section 5.11.2 shall terminate with respect to such Degradator, and Company may negotiate and enter into with a Third Party with respect to the acquisition or license of such Degradator.

5.11.3 **Other Terms.**

(a) The rights granted to Vertex under this Section 5.11 shall terminate in their entirety upon a closing of a Change of Control of Company.

(b) For clarity, (i) nothing herein shall prevent Company or any of its Affiliates from negotiating or executing any confidentiality agreement or participating in general discussion (not focused on a Degradator directed to a Terminated Vertex Target or a Program Degradator directed to a Terminated Other Target) with any prospective partner, investor, licensor, licensee or other Third Party, (ii) Company shall have no obligation to provide Vertex with (A) the identity of any Third Party or (B) any terms of any transaction negotiated with a Third Party except (y) as required to be set forth in the Terminated Vertex Target Notice or Terminated Other Target Notice or (z) as required in discovery in the event of a dispute between Parties as to whether Vertex's rights under this Section 5.11 have been triggered and (iii) a Change of Control of Company shall not be considered a divestiture of rights or grant of a license with respect to any Degradator such that the right of first negotiation in this Section 5.11 would be triggered.

5.12 **Right of First Negotiation for [***].**

5.12.1 If, at any time during the [***] following the applicable exclusivity period under Section 5.6.2(a) with respect to [***], Company or its Affiliates researches or develops any [***] that is specifically engineered or selected to be directed against the [***], and either (a) intends to divest rights to or grant a license with respect to such Degradator to a Third Party or (b) intends to initiate GLP toxicology studies with respect to such Degradator, in each case ((a)-(b)), Company shall promptly (and in any event prior to entering into negotiations with any Third Party regarding any such divestiture or license) provide written notice to Vertex (the "[***] **Notice**"), containing the information in its possession or control that would be required to be included in an OEDP if such Degradators were directed against a Collaboration Target, in the form and to the extent that any such information is then available (and in Company's or its Affiliate's possession or control) for any such Degradators, and describing the general nature of the proposed transaction with respect to a transaction with a Third Party or the proposed GLP toxicology studies, and Vertex shall have an exclusive right of first negotiation to acquire or obtain an exclusive license to such Degradator. Vertex shall have [***] ("[***] **Notice of Exercise**"). If Vertex provides such an [***] Notice of Exercise, the Parties will promptly commence exclusive good faith negotiations regarding the terms of an agreement providing for such acquisition or the grant of such exclusive license for a period of up to [***] unless extended by mutual agreement of the Parties, during which period Company shall not engage in any discussions or negotiations with or permit diligence access to any Third Party regarding the acquisition of license of such Degradator. In the event that the Parties fail to reach agreement within [***] (or any such longer period as the Parties may mutually agree) from the date of Vertex's [***] Notice of Exercise, Company may proceed with the further development, manufacture and commercialization of such Degradator or enter into an

agreement with a Third Party with respect to the acquisition or license of such Degradar, *provided that* (i) for a period of [***] (or any such longer period as the Parties may mutually agree), Company may only enter into an agreement with such Third Party if the terms thereof are, in the aggregate, more favorable to Company than the most Company-favorable terms offered by Vertex and (ii) solely in the case that the [***] Notice provided by Company under this Section 5.12.1 was provided because Company intended to divest rights or grant a license with respect to the applicable Degradar to a Third Party (and not because Company intended to initiate GLP toxicology studies with respect to such Degradar), if, as of the date that is [***] (or any such longer period as the Parties mutually agree), Company has not entered into any such agreement with a Third Party, Company may not enter into any such agreement without first complying with this Section 5.12.1 with respect to the applicable Degradar (except to the extent negotiations between Company and a Third Party with respect to any such agreement are ongoing as of the end of such one year or longer period, in which case Company may not enter into any such agreement without first complying with this Section 5.12.1 with respect to the applicable Degradar if such negotiations end without execution of any such agreement). In addition, notwithstanding anything to the contrary herein, (x) Company shall promptly notify Vertex in writing if any [***] under research or development by Company or its Affiliates that is specifically engineered or selected to be directed against the [***] reaches the lead optimization stage of development (as determined by Company's internal process for progressing a product candidate to lead optimization), and (y) if, as of the expiration of the [***] following the applicable exclusivity period under Section 5.6.2(a) with respect to [***], Vertex has not yet received any notice from Company under this Section 5.12 with respect to any Degradar, Company will provide Vertex with a data package containing the information in its possession or control that would be required to be included in an OEDP if such Degradars were directed against a Collaboration Target, in the form and to the extent that any such information is then available (and in Company's or its Affiliate's possession or control) for any such Degradars and Vertex may elect, by written notice to Company within [***] after receipt of such data package, to exercise its right of first negotiation under this Section 5.12.1 with respect to one or more such Degradars.

5.12.2 If Vertex does not provide an [***] Notice of Exercise within [***] following receipt of the [***] Notice in accordance with Section 5.12.1 for a Degradar, then this Section 5.12 shall terminate with respect such Degradar, and Company may negotiate and enter into with a Third Party with respect to the acquisition or license of such Degradar.

5.12.3 **Other Terms.**

(a) The rights granted to Vertex under this Section 5.12 shall terminate [***].

(b) For clarity, (i) nothing herein shall prevent Company or any of its Affiliates from negotiating or executing any confidentiality agreement or participating in general discussion (not focused on a [***] that is specifically engineered or selected to be directed against the [***]) with any prospective partner, investor, licensor, licensee or other Third Party, (ii) Company shall have no obligation to provide Vertex with (A) the identity of any Third Party or (B) any terms of any transaction negotiated with a Third Party except (y) as required to be set forth in the [***] Notice or (z) as required in discovery in the event of a dispute between Parties as to whether Vertex's rights under this Section 5.12 have been triggered and (iii) a Change of Control of Company shall not be considered a divestiture of rights or grant of a license with respect to any Degradar such that the right of first negotiation in this Section 5.12 would be triggered. [***].

ARTICLE 6
DEVELOPMENT, MANUFACTURING AND COMMERCIALIZATION

6.1 Development.

6.1.1 **Generally.** On a Vertex Target-by-Vertex Target basis, following License Effective Date with respect to a Collaboration Target, Vertex will have sole and exclusive control, at its sole cost and expense, over all matters relating to the Development of Licensed Products directed against such Vertex Target, either by itself or with or through one or more Affiliates or Third Parties.

6.1.2 **Development Plan.** On a Vertex Target-by-Vertex Target basis, within [***] after the License Effective Date with respect to a Collaboration Target, Vertex will provide the JAC, or the Company if the JAC has disbanded, with a high-level Development plan outlining key aspects of the Development of Licensed Products directed against such Vertex Target for the ensuing [***] (the "**Development Plan**"), for informational purposes only. After the initial Development Plan has been provided to Company, Vertex will update such Development Plan no less than [***] for so long as activities are taking place under such Development Plan and provide such updates to Company.

6.1.3 **Reporting.** During the Term [***], Vertex will provide Company with a high-level report regarding the status of Vertex's Development under such Development Plan and the results of such Development; and (b) upon the request of Company [***], representatives of Vertex shall participate in a telephone conference with Company representatives to provide an oral update on the progress of Vertex's material Development activities (including to discuss the information in (a) above) with respect to Licensed Products directed against such Vertex Target pursuant to this Agreement. On a Vertex Target-by-Vertex Target basis, if Vertex makes a decision to permanently cease, itself or through its Affiliates, all Research, Development and Commercialization activities with respect to Collaboration Compounds or Licensed Products directed against such Vertex Target and does so cease such activities or a Sublicensee makes a decision to permanently cease such activities and Vertex does not have or does not exercise a right to terminate such Sublicense, Vertex shall report such cessation and the starting date thereof in the first report provided to Company under this Section 6.1.3 following such cessation.

6.2 Regulatory Matters.

6.2.1 **Responsibilities.** On a Vertex Target-by-Vertex Target basis, after the License Effective Date with respect to a Vertex Target, Vertex or its designated Affiliates and Sublicensees will have the sole authority, at its sole cost and expense, to (a) prepare, file and maintain Regulatory Filings, each in its own name (including applications for Marketing Approval and Price Approval) for all Licensed Products directed against such Collaboration Target in the Field in the Territory, and (b) communicate with Regulatory Authorities with respect to the Licensed Products directed against such Collaboration Target in the Field in the Territory, both prior to and following Marketing Approval and Price Approval, including all communications and decisions with respect to (i) labeling of Licensed Products directed against such Collaboration Target, and (ii) the negotiation of Price Approvals.

6.2.2 **Ownership.** On a Vertex Target-by-Vertex Target basis, after the License Effective Date with respect to a Vertex Target, ownership of all right in and to all Regulatory Filings, Marketing Approvals and Price Approvals for any Licensed Products directed against such Vertex Target in the Field in each country of the Territory will be held in the name of Vertex, its designated Affiliate or Sublicensee.

6.2.3 **Cooperation.** As and to the extent reasonably requested by Vertex, Company will, and will cause its Affiliates to, cooperate with Vertex with respect to all regulatory matters relating to any Licensed Products. Without limiting the foregoing, as reasonably requested by Vertex, Company will assist Vertex in preparing Regulatory Filings for Licensed Products and make information in the possession or control of Company or its Affiliates available to Vertex to the extent necessary for completion of such Regulatory Filings. Upon Vertex's reasonable request and at Vertex's expense, Company will support the Development of Licensed Products by providing Regulatory Authorities with access to, and the right to audit, any data or other Know-How and associated documents that are in Company's possession or control and are relied on by Vertex in its Regulatory Filings for Licensed Products. Company will not make any submissions to any Regulatory Authority with respect to a Collaboration Compound or Licensed Product without first obtaining Vertex's prior written consent.

6.2.4 **Right of Reference.** On a Vertex Target-by-Vertex Target basis, effective upon the License Effective Date for such Vertex Target, Company hereby grants Vertex, its Affiliates and Sublicensees a "Right of Reference," as that term is defined in 21 C.F.R. § 314.3(b) and any foreign counterpart to such regulation, to any Regulatory Filings held by Company or its Affiliates to the extent necessary for the submission, approval or maintenance of Marketing Approval of a Licensed Product directed against such Vertex Target in the Field in the Territory. If requested by Vertex, Company will provide a signed statement to this effect in accordance with 21 C.F.R. §314.50(g)(3) or any foreign counterpart to such regulation.

6.3 **Manufacturing.**

6.3.1 **General.** On a Vertex Target-by-Vertex Target basis, after the License Effective Date with respect to a Vertex Target, Vertex will have the exclusive right, at its sole cost and expense, to Manufacture the Collaboration Compounds and Licensed Product(s) directed against such Vertex Target, either by itself or with or through one or more Affiliates or Third Parties selected by Vertex in its sole discretion for Development or Commercialization in the Field in the Territory. Upon the request of Company [***], Vertex will update the Company during any telephone conference under Section 6.1.3(b) as to any material matters with respect to the Manufacturing of Licensed Products and Collaboration Compounds that would reasonably be expected to generally impact the Manufacture of Degraders by Company, its Affiliates or licensees.

6.3.2 **Interim Supply.** Upon Vertex's election by written notice to Company following the License Effective Date with respect to a Vertex Target, Company shall, for a period of [***] pursuant to Section 5.3.3, Manufacture and supply to Vertex the Collaboration Compounds or Licensed Products, as requested by Vertex, directed against such Collaboration Target, at Company's Supply Cost for such Collaboration Compounds or Licensed Products, on customary supply terms to be negotiated by Company and Vertex.

6.4 **Commercialization.**

6.4.1 **General.** On a Vertex Target-by-Vertex Target basis, after the License Effective Date with respect to a Vertex Target, Vertex will have sole and exclusive control, at its sole cost and expense, over all matters relating to the Commercialization of Licensed Products directed against such Vertex Target in the Field in the Territory.

6.4.2 **Branding.** Vertex or its designated Affiliates or Sublicensees will select and own all trademarks used in connection with the Commercialization of any Licensed Product in the Field in the Territory. Company will not use nor seek to register, anywhere in the Territory, any trademark that is confusingly similar to any trademark used by or on behalf of Vertex, its Affiliates or Sublicensees in connection with any Licensed Product.

6.4.3 **Commercialization Plan.** On a Vertex Target-by-Vertex Target basis, after License Effective Date with respect to a Vertex Target, reasonably in advance of the anticipated first Marketing Approval of a Licensed Product directed against such Vertex Target in a Major Market Country, Vertex will provide Company with a high-level Commercialization plan for such Licensed Product in the Major Market Countries for the ensuing [***] (the “**Commercialization Plan**”), for informational purposes only. After the initial Commercialization Plan has been provided to Company, Vertex will update such Commercialization Plan [***] for so long as Vertex is Commercializing a Licensed Product directed against such Vertex Target and provide such updates to Company for its information.

6.4.4 **Reporting.** On a Vertex Target-by-Vertex Target basis, for so long as Vertex is Commercializing a Licensed Product directed against such Vertex Target, [***], Vertex will provide Company with a high- level report regarding the status of Vertex’s Commercialization activities under such plan.

6.5 **Vertex Diligence.**

6.5.1 **Development Diligence.** On a Vertex Target-by-Vertex Target basis, after the License Effective Date with respect to such Vertex Target, Vertex (acting directly or through one or more Affiliates or Sublicensees) will use Commercially Reasonable Efforts to Develop, seek and obtain Marketing Approval for [***].

6.5.2 **Commercial Diligence.** On a Vertex Target-by-Vertex Target basis, after the License Effective Date with respect to such Vertex Target, Vertex (acting directly or through one or more Affiliates or Sublicensees) will use Commercially Reasonable Efforts to Commercialize, including seeking Price Approval on terms deemed appropriate by Vertex in its sole discretion, [***] where Vertex or its designated Affiliates or Sublicensees receives Marketing Approval for such Licensed Product.

6.6 **Applicable Laws.** Vertex will, and will require its Affiliates and Sublicensees to, comply with all Applicable Law in its and their Research, Development, Manufacture and Commercialization of Collaboration Compounds and Licensed Products, including where appropriate GMP, GCP and GLP (or similar standards), processes and procedures for sharing information regarding class effects relevant to Degraders as needed to support each Party's regulatory responsibilities and to comply with applicable regulatory pharmacovigilance requirements. Any such procedures will not be construed to restrict either Party's ability to take any action that it deems to be appropriate or required of it under the applicable regulatory requirements, if permitted by Applicable Laws. Without limiting the foregoing, (a) Company will promptly disclose to Vertex in writing any information in Company's possession or control regarding the occurrence of any Adverse Event related to any Degraded Developed or Commercialized by Company or its Affiliates or licensees that may reasonably impact the safety of a Licensed Product as a result of a class effect, and (b) Vertex will promptly disclose to the Company in writing any information in Vertex's possession or control regarding the occurrence of any Adverse Event related to any Licensed Product that may reasonably impact the safety or any Degraded Developed or Commercialized by Company or its Affiliates or licensees as a result of a class effect.

ARTICLE 7 FINANCIAL PROVISIONS

7.1 **Up-Front Fee.** Within [***] following the Effective Date, Vertex will pay Company a one-time, non-refundable, non-creditable, up-front fee of \$50,000,000 that is not subject to set-off.

7.2 **Equity Investment.** The Parties acknowledge that simultaneously with the execution of this Agreement, the Parties are entering into that certain Series B-1 Preferred Stock Purchase Agreement and certain additional agreements related thereto as of the Effective Date, pursuant to which Vertex (or its Affiliate) will purchase preferred stock in Company.

7.3 **Research Term Extension Fee.** In consideration for the extension of the Research Term in accordance with Section 2.4, Vertex shall pay the Research Term Extension Fee per Collaboration Program to Company within [***] (with respect to [***] Collaboration Programs) or upon Company's consent (with respect to additional Collaboration Programs). Such payment shall be non-refundable, non-creditable and not subject to set-off.

7.4 **Option Exercise Fee.** On a Collaboration Target-by-Collaboration Target basis, Vertex will pay Company a [***] (such fee, the "**Option Exercise Fee**").

7.5 **Milestone Payments.**

7.5.1 **Development Milestones.** On a Vertex Target-by-Vertex Target basis, Vertex will pay to Company the milestone payments (each a "**Development Milestone Payment**") set forth in this Section 7.5.1 in accordance with the procedure set forth in Section 7.5.3 upon the [***] (each a "**Development Milestone Event**") with respect to a Collaboration Compound or Licensed Product of Vertex or its Affiliates or any Sublicensees directed against such Vertex Target, as applicable.

| <u>Milestone Number</u> | <u>Milestone Event</u> | <u>Milestone Payment</u> |
|-------------------------|------------------------|--------------------------|
| [***] | [***] | [***] |
| [***] | [***] | [***] |
| [***] | [***] | [***] |
| [***] | [***] | [***] |
| [***] | [***] | [***] |
| [***] | [***] | [***] |
| [***] | [***] | [***] |
| [***] | [***] | [***] |
| [***] | [***] | [***] |

Notwithstanding anything to the contrary in this Section 7.5.1, if, with respect to any Collaboration Target, a Collaboration Compound or Licensed Product directed against such Collaboration Target achieves a Development Milestone Event set forth above in items [***] of this Section 7.5.1 and the applicable Development Milestone Payment has already been paid with respect to such Collaboration Target based on the achievement of such Development Milestone Event by a different Collaboration Compound or Licensed Product directed against such Collaboration Target, then Vertex would [***]; provided, that if such Collaboration Compound or Licensed Product includes, contains or comprises a Degradar discovered, generated, synthesized or identified through Follow-On Research that is [***] with respect to the Collaboration Compound or Licensed Product that first achieved such Development Milestone Event, then Vertex would pay [***] upon such additional achievement. For clarity, if the first Collaboration Compound or Licensed Product to achieve a Development Milestone Event includes, contains or comprises a Degradar discovered, generated, synthesized or identified through Follow-On Research, Company shall be entitled to [***], regardless of whether the applicable Degradar is [***]. The Development Milestone Payments set forth in [***] of this Section 7.5.1 shall be payable only once per Vertex Target; *provided, however*, that if Company conducts Follow-On Research with respect to such Vertex Target, then Vertex would pay [***] upon an additional achievement of the applicable Development Milestone Event under any Follow-On Research Plan (as the criteria for such Development Milestone Event may be updated in accordance with Section 2.7).

7.5.2 **Commercial Milestones.** On a Licensed Product-by-Licensed Product basis, Vertex will pay Company the milestone payments (each a “**Commercial Milestone Payment**”, and, together with the Development Milestone Payments, the “**Milestone Payments**”) set forth in this Section 7.5.2 in accordance with the procedure set forth in Section 7.5.3 upon the [***] (each, a “**Commercial Milestone Event**”, and, together with the Development Milestone Events, the “**Milestone Events**”) with respect to a Licensed Product in a Calendar Year by Vertex or its Affiliates or any Sublicensees.

| <u>Milestone Number</u> | <u>Milestone Event</u> | <u>Milestone Payment</u> |
|-------------------------|------------------------|--------------------------|
| [***] | [***] | [***] |
| [***] | [***] | [***] |

7.5.3 **Notice; Payment; Skipped Milestones.** Each Milestone Payment shall be deemed earned upon achievement of the corresponding Milestone Event, and Vertex will provide Company with written notice upon the achievement of each of the Milestone Events set forth in Section 7.5.1 and Section 7.5.2, such written notice to be provided (a) with respect to any Milestone Event under Section 7.5.1, within [***] after such achievement and (b) with respect to any Milestone Event under Section 7.5.2, [***]. Following receipt of such written notice, Company will promptly invoice Vertex for the applicable milestone and Vertex will make the appropriate Milestone Payment within [***] after receipt of such invoice. Each Milestone Payment corresponding with the milestones numbered [***] as set forth in Section 7.5.1 are intended to be [***]; if a Licensed Product is not required to undergo the event associated with any such Milestone Event, such skipped milestone will be deemed to have been achieved upon the achievement by such Licensed Product of the next successive Milestone Event. Payment for any such skipped milestone that is owed in accordance with the provisions of the foregoing sentence with respect to a given Licensed Product will be [***] by such a Licensed Product, it being agreed that if a Licensed Product is not required to undergo the milestone numbered [***] the corresponding payment will be made upon the first to occur of the milestones numbered [***]. The Commercial Milestone Payments in Section 7.5.2 are additive, such that if more than one event specified in Section 7.5.2 above is achieved in the same [***], then each corresponding Commercial Milestone Payment for such event will be payable.

7.6 **Royalties.**

7.6.1 **Royalty Rates.** Subject to Sections 7.6.2, 7.6.3, 7.6.4 and 7.6.5, on a Licensed Product-by-Licensed Product and country-by-country basis, Vertex will pay Company [***] at the rates set forth in the table below. The obligation to pay royalties will be imposed only [***] with respect to the same unit of a Licensed Product.

| <u>Calendar Year Net Sales (in Dollars) for such Licensed Product in the Territory</u> | <u>Royalty Rates as a Percentage (%) of Net Sales</u> |
|--|---|
| [***] | [***] |
| [***] | [***] |
| [***] | [***] |

The applicable royalty rate set forth in the table above will apply only to that portion of the [***] of a given Licensed Product during a given Calendar Year that falls within the indicated range. By way of example and without limitation of this Section 7.6.1, if Calendar Year Net Sales of a given Licensed Product by Vertex, its Affiliates and Sublicensees were [***], then the royalties payable with respect to such Calendar Year Net Sales for such Licensed Product for such Calendar Year, subject to adjustment as set forth in this Section 7.6.1, would be: [***].

7.6.2 **Royalty Term.** Vertex will pay royalties to Company under this Section 7.6 on a Licensed Product-by-Licensed Product and a country-by-country basis during the Royalty Term for such Licensed Product in such country. Upon the expiration of the Royalty Term for a given Licensed Product in a given country, the Exclusive License granted to Vertex under Section 5.1 will become fully-paid, perpetual, irrevocable and royalty free with respect to such Licensed Product.

7.6.3 Reduction for Lack of Patent Coverage and Regulatory Exclusivity. If during any period within the applicable Royalty Term for a country, (a) no Valid Claim of any Licensed Patent, Vertex Agreement Patent or Joint Agreement Patent exists that, in each case, Covers such Licensed Product in such country, and (b) Regulatory Exclusivity has expired in such country with respect to such Licensed Product, Net Sales of such Licensed Product in such country will be reduced by [***] for purposes of calculating the royalty owed under Section 7.6.1 for the remainder of the Royalty Term.

7.6.4 Reduction for Competition. If during any [***] during the Royalty Term for a Licensed Product in a given country, the aggregate number of units of Competitive Products with respect to such Licensed Product sold during such Calendar Quarter in such country exceed [***] of the aggregate units of the sum of all such Competitive Products and such Licensed Product sold in such Calendar Quarter in such country (as determined by data obtained from a mutually agreed upon Third-Party source), then Net Sales of such Licensed Product in such country (after any applicable reduction pursuant to Section 7.6.3) will thereafter be reduced by [***] for purposes of calculating the royalty owed under Section 7.6.1 for the remainder of the Royalty Term.

7.6.5 Third Party Licenses. Vertex may deduct from the royalties payable to Company under this Section 7.6 [***] of any Blocking Third Party Intellectual Property Costs paid by Vertex during such [***]; *provided, however*, that in no event will the royalties that would otherwise be payable to Company with respect to Net Sales of Licensed Products, after any applicable reduction to such Net Sales under Sections 7.6.3 and 7.6.4, be reduced by more than [***] in any given [***] as a result of any deduction under this Section 7.6.5; and *provided further*, that Vertex will be entitled to carry forward to subsequent [***] any amounts with respect to which Vertex would have been entitled to make a deduction pursuant to this Section 7.6.5 but is unable to take such deduction pursuant to the first proviso in this Section 7.6.5.

7.6.6 Aggregate Limitation on Deductions. Notwithstanding Sections 7.6.3, 7.6.4, and 7.6.5, in no event will the combined effect of all reductions to the royalties payable to Company under Sections 7.6.3, 7.6.4 and 7.6.5 reduce the royalty amounts payable by Vertex to Company under this Section 7.6 for any Licensed Product in any country during a [***] to less than [***] of the amount that would otherwise be due under Section 7.6.1, but for such deductions.

7.6.7 Royalty Reports. Following the First Commercial Sale of a Licensed Product and continuing for the remainder of the Royalty Term for such Licensed Product, within [***] after the end of each [***], Vertex will deliver a report to Company specifying on a Licensed Product-by-Licensed Product basis: (a) Net Sales in the relevant [***]; (b) to the extent such Net Sales include sales not denoted in U.S. Dollars, a summary of the then-current exchange rate methodology then in use by Vertex, and (c) royalties payable on such Net Sales. All royalty payments due under Section 7.6 for each [***] will be due and payable within [***] after the end of each [***].

7.7 Company In-License Agreements. Company may, during the Term, enter into one or more Third Party agreements pursuant to which Company would obtain a license under Know-How or Patents that may be necessary or reasonably useful for the performance of existing or future activities relating to the Research, Development, Manufacture, or Commercialization of any Collaboration Compounds or Licensed Products under this Agreement (any such agreement, a “**Company In-License Agreement**”). In addition, if the Existing Third Party Agreement is amended following the Effective Date such that any intellectual property not Controlled by Company on the Effective Date becomes Controlled by Company (without giving effect to the last sentence of the definition of “Control”), the Existing Third Party Agreement as so amended will be deemed a Company In-License Agreement and subject to the terms and conditions set forth in this Section 7.7. Company may independently negotiate and enter into any Company In-License Agreement; *provided that* the terms of any Company In-License Agreement shall not disadvantage any activities or products under this Agreement relative to other products and activities covered by any license granted under such Company In-License Agreement. Responsibility for the determination of whether a Company In-License Agreement shall be deemed to be a Collaboration In-License Agreement, and responsibility for In-License Costs, will be as follows:

7.7.1 With respect to each Company In-License Agreement, Company will disclose to Vertex the terms of such Company In-License Agreement (including by providing a copy of such Company In-License Agreement to Vertex), subject to applicable confidentiality obligations and reasonable redaction of provisions that do not relate to the potential use of Patents and Know-How in-licensed under such Company In-License Agreement for the performance by the Parties of such existing or future activities under this Agreement. If a Company In-License Agreement is brought to the attention of Vertex pursuant to this Section 7.7.1, the Parties will discuss in good faith whether the Know-How or Patents licensed to Company under such Company In-License Agreement should be (a) used by or on behalf of Company in the performance of the Research Activities or the Follow-On Research or (b) sublicensed to Vertex pursuant to the Exclusive License with respect to any applicable Vertex Target. Company may use any Know-How or Patents licensed to Company under a Company In-License Agreement in the performance of the Research Activities or the Follow-On Research, except that, if the use of such Know-How or Patents by Company prior to the License Effective Date would make it necessary or useful for Vertex to take a sublicense under such Company In-License Agreement after the License Effective Date with respect to a Vertex Target in order for Vertex to Research, Develop, Manufacture or Commercialize a Collaboration Compound or Licensed Product directed against such Vertex Target, then Company shall not make such use unless Vertex has elected to make such Company In-License Agreement a Collaboration In-License Agreement as set forth in the following sentence. If Vertex notifies Company in writing that a Company In-License Agreement should be sublicensed to Vertex pursuant to the Exclusive License with respect to any applicable Vertex Target, then (x) such Company In-License Agreement will be deemed to be a “**Collaboration In-License Agreement**” hereunder, (y) the Patents and Know-How in-licensed under such Collaboration In-License Agreement will be deemed “Controlled” by Company or its Affiliates for purposes of this Agreement and will be included in the Licensed Technology, as applicable, and (z) any In-License Costs [***]. If Vertex does not so notify Company, then (1) such Company In-License Agreement will not be deemed to be a Collaboration In-License Agreement hereunder and (2) the Patents and Know-How in-licensed under such Company In-License Agreement will not be deemed “Controlled” by Company or its Affiliates for purposes of this Agreement and will be excluded from the Licensed Technology.

7.7.2 With respect to any In-License Costs, [***], at least [***].

7.7.3 **Opt-Out.** Notwithstanding the foregoing provisions of this Section 7.7, [***]. Vertex shall provide Company with [***] prior written notice of such election (such notice, an “**Opt-Out Notice**”). Following receipt of an Opt-Out Notice, [***]. Notwithstanding any such Opt-Out Notice, [***].

7.8 **Compliance with Collaboration In-License Agreements.** All licenses and other rights granted to Vertex under Section 5.1 are subject to the rights and obligations of Company under the Collaboration In-License Agreements. Each Party will comply with all applicable provisions of the Collaboration In-License Agreements, and will perform and take such actions as may be required to allow Company to comply with its obligations thereunder, including obligations relating to sublicensing, patent matters, confidentiality, reporting, audit rights, indemnification and diligence; *provided that*, in the case of Vertex, such provisions and obligations have been disclosed to Vertex. Without limiting the foregoing, Vertex will prepare and deliver to Company any additional reports required under the applicable Collaboration In-License Agreements and reasonably requested by Company, in each case sufficiently in advance to enable Company to comply with its obligations under the applicable Collaboration In-License Agreements.

7.9 **Research Funding for Follow-On Research.**

7.9.1 **Research Costs for Follow-On Research.** Vertex will reimburse Company for its [***] actually incurred by Company or its Affiliates for the Follow-On Research performed in accordance with a Follow-On Research Plan and Follow-On Research Budget; *provided that* Vertex shall not reimburse Company for any [***] in the conduct of the Follow-On Research in excess of [***] of the then-current Follow-On Research Budget for such [***] and Company shall be solely responsible for all such excess expenses above [***] of the Follow-On Research Budget incurred during such [***], unless otherwise agreed in writing by Vertex.

7.9.2 **Payments.** Any payments to be made to Company by Vertex pursuant to Section 7.9.1 shall be made [***] for which such costs have been incurred; *provided that* Company shall provide a good faith estimate of any costs for which reimbursement is due under Section 7.9.1 within [***]. Each such invoice will be accompanied by reasonable supporting documentation evidencing the expenses incurred for the Follow-On Research (such expenses to be itemized) during such [***]. Undisputed payments shall be due within [***] after Vertex receives such an invoice from Company.

7.10 **Payment Terms.**

7.10.1 **Currency; Payment Method.** All payments under this Agreement are expressed in U.S. Dollars and will be paid in U.S. Dollars, by wire transfer or Automated Clearing House (ACH) payment to an account designated by Company (which account Company may update from time to time in writing).

7.10.2 **Exchange.** If any amounts that are relevant to the determination of amounts to be paid under this Agreement or any calculations to be performed under this Agreement are denoted in a currency other than U.S. Dollars, such amounts will be converted to their U.S. Dollar equivalent using Vertex’s then-current standard procedures and methodology, including its then-current standard exchange rate methodology for the translation of foreign currency expenses into U.S. Dollars or, in the case of Sublicensees, such similar methodology, consistently applied. Calculation of Net Sales will exclude hedging and foreign exchange gain or loss realized through a hedging program.

7.11 **Withholding Tax.** Where any sum due to be paid to Company hereunder is subject to any withholding or similar tax, Vertex will pay such withholding or similar tax to the appropriate Governmental Authority and deduct the amount paid from the amount then due to Company. Vertex will timely transmit to Company an official tax certificate or other evidence of such withholding sufficient to enable Company to claim such payment of taxes. The Parties will cooperate with one another and use reasonable efforts to reduce or eliminate tax withholding or similar obligations in respect of royalties, Milestone Payments, and other payments made by Vertex to Company under this Agreement. Company will provide Vertex any tax forms that may be reasonably necessary in order for Vertex not to withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty. Each Party will provide the other with reasonable assistance to enable the recovery, as permitted by Applicable Laws, of withholding taxes, value added taxes, or similar obligations resulting from payments made under this Agreement, such recovery to be for the benefit of the Party bearing such withholding tax or value added tax.

7.12 **Records; Audits.** Vertex will keep and maintain accurate and complete records regarding Net Sales during the [***]preceding Calendar Years. Company will keep accurate and complete records regarding all FTE Costs and Out-of-Pocket Costs incurred in connection with Follow-On Research, in sufficient detail to confirm the accuracy of any payments required under this Agreement, covering the three preceding Calendar Years. Upon [***] prior written notice from the other Party (the “**Auditing Party**”), the Party required to maintain such records (as applicable, the “**Audited Party**”) will permit an independent certified public accounting firm of internationally recognized standing, selected by the Auditing Party and reasonably acceptable to the Audited Party, to examine the relevant books and records of the Audited Party and its Affiliates, as may be reasonably necessary to verify the royalty reports submitted by Vertex in accordance with Section 7.6.7 or the FTE Costs and Out-of-Pocket Costs reported by Company in accordance with Section 7.9, as applicable. An examination by the Auditing Party under this Section 7.12 will occur not more than once in any Calendar Year and will be limited to the pertinent books and records for any Calendar Year ending not more than [***] before the date of the request. No records will be audited more than once. The accounting firm will be provided access to such books and records at the Audited Party’s facility or facilities where such books and records are normally kept and such examination will be conducted during the Audited Party’s normal business hours. The Audited Party may require the accounting firm to sign a customary non-disclosure agreement before providing the accounting firm access to its facilities or records. Upon completion of the audit, the accounting firm will provide both Parties a written report disclosing whether the reports submitted by Vertex or the FTE Costs and Out-of-Pocket Costs submitted by Company, as applicable, are correct or incorrect and the specific details concerning any discrepancies. No other information will be provided to the Auditing Party. If the report or information submitted by the Audited Party results in an underpayment or overpayment, (a) the Party owing the underpaid or overpaid amount will promptly pay the amount of such underpayment to the other Party, and (b) any such overpayment shall be creditable against future payments to the other Party hereunder. The costs and fees of any audit conducted by the Auditing Party under this Section 7.12 will be borne by the Auditing Party, unless such audit reveals an underpayment of amounts owed to the Auditing Party of more than [***] of the amount that was owed by the Audited Party with respect to the relevant period, in which case, the Audited Party will reimburse the Auditing Party for the reasonable expense incurred by the Auditing Party in connection with the audit.

7.13 **Late Payment.** Any payments or portions thereof due hereunder that are not paid when due will accrue interest from the date due until paid at an annual rate equal to the one month LIBOR rate (or the future prevailing standard one month inter-bank borrowing rate replacing LIBOR) plus [***] (or the maximum allowed by Applicable Law, if less).

ARTICLE 8 INTELLECTUAL PROPERTY

8.1 Ownership; Assignment.

8.1.1 **Company Technology and Vertex Technology.** As between the Parties, Company will own and retain all of its rights, title and interest in and to the Company Background Technology and Vertex will own and retain all of its rights, title and interest in and to any Vertex Background Technology, subject to any assignments, rights or licenses expressly granted by one Party to the other Party under this Agreement.

8.1.2 Agreement Technology.

(a) For purposes of determining inventorship under this Section 8.1, inventorship will be determined in accordance with United States patent laws (regardless of where the applicable activities occurred).

(b) As between the Parties, Company will be the sole owner of any Agreement Know-How that relates specifically to the Degradation Platform, including any modifications, enhancements or derivatives thereto (the “**Degradation Agreement Know-How**”) and all Patents that Cover any of the foregoing (the “**Degradation Agreement Patents**”, and, collectively with the Degradation Agreement Know-How, the “**Degradation Agreement Technology**”), and will own and retain all rights, title and interest thereto, subject to any rights or licenses expressly granted by Company to Vertex under this Agreement, including, with respect to any Degradation Agreement Patent that constitutes a Product-Specific Patent following the applicable License Effective Date, Company’s obligations under Section 8.1.3. For clarity, Degradation Agreement Technology shall exclude any Vertex Component Agreement Technology.

(c) As between the Parties, Vertex will be the sole owner of any Agreement Know-How that relates specifically to any Vertex Component, including any modifications, enhancements or derivatives thereto (the “**Vertex Component Agreement Know-How**”) and all Patents that Cover any of the foregoing (the “**Vertex Component Agreement Patents**”, and, collectively with the Vertex Component Agreement Know-How, the “**Vertex Component Agreement Technology**”), and will own and retain all rights, title and interest in and thereto, subject to any rights or licenses expressly granted by Vertex to Company under this Agreement. For clarity, Vertex Component Agreement Technology shall exclude any Degradation Agreement Technology.

(d) Except as expressly set forth in Sections 8.1.2(b) and (c) above, as between the Parties, each Party will be the sole owner of any Agreement Know-How discovered, developed, invented or created solely by such Party or its Affiliates or Third Parties acting on its or their behalf, and all Patents that Cover any of the foregoing, and the Parties shall jointly own, on an equal and undivided basis any Agreement Know-How discovered, developed, invented or created jointly by both (i) Vertex, its Affiliates or Third Parties acting on Vertex's behalf and (ii) Company, its Affiliates or Third Parties acting on Company's behalf, and all Patents, including Product-Specific Patents, that claim or encompass any of the foregoing. Except as expressly provided in this Agreement, neither Party will have any obligation to account to the other Party for profits with respect to, or to obtain any consent of the other Party to license or exploit any such jointly owned Agreement Technology by reason of joint ownership thereof, and each Party hereby waives any right it may have under the laws of any jurisdiction to require any such consent or accounting.

(e) Each Party and its Affiliates will, and hereby does, assign to the other Party or one or more of its designated Affiliates, such first Party's and its Affiliates' rights, title and interest in any Agreement Technology as may be necessary to effectuate the allocation of ownership of Agreement Technology set forth in this Section 8.1. The assigning Party will take all actions and provide the other Party with all reasonably requested assistance to effect such assignment and will execute any and all documents necessary to perfect such assignment.

(f) Promptly following Company's or any of its Affiliate's receipt of an invention disclosure with respect to any invention discovered, developed, invented or created, solely or jointly, by Company or its Affiliates or Third Parties acting on its or their behalf that constitutes Agreement Technology, Company will promptly disclose to Vertex in writing, and will cause its Affiliates to so disclose, the discovery, development, invention or creation of such Agreement Technology. Promptly following Vertex's or any of its Affiliate's receipt of an invention disclosure with respect to any invention that is discovered, developed, invented or created, solely or jointly, by Vertex or its Affiliates or Third Parties acting on its or their behalf that constitutes Degradation Agreement Technology or Joint Agreement Technology, Vertex will promptly disclose to Company in writing, and will cause its Affiliates to so disclose, the discovery, development, invention or creation of such Degradation Agreement Technology or Joint Agreement Technology.

8.1.3 Assignment of Product-Specific Patents to Vertex. On a Licensed Product-by-Licensed Product basis, Vertex has the option, exercisable at its discretion upon written notice to Company following receipt of Marketing Approval for a Licensed Product in any Major Market Country, to have Company and its Affiliates assign to Vertex or one or more of its designated Affiliates, Company's and its Affiliates' ownership interest in all Company Product-Specific Patents (whether solely owned or jointly owned with one or more Third Parties) and Joint Product-Specific Patents with respect to such Licensed Product. Following receipt of any such notice, Company shall, and does hereby, assign to Vertex or one or more of its designated Affiliates, Company's and its Affiliates' ownership interest in all Company Product-Specific Patents (whether solely owned or jointly owned with one or more Third Parties) and Joint Product-Specific Patents with respect to such Licensed Product. In furtherance of the foregoing, following receipt of any such notice, Company will take all actions and provide Vertex with all reasonably requested assistance to effect such assignment and will execute any and all documents necessary

to perfect such assignment. Any Patents assigned to Vertex under this Section 8.1.3 (each, a "Vertex Assigned Patent") will be included in the definition of Licensed Patents for the purposes of determining the length of the Royalty Term for each Licensed Product and for the purposes of Section 8.4, and shall be excluded from such definition for all other purposes of this Agreement following such assignment.

8.2 Prosecution and Maintenance of Patents.

8.2.1 **Company Patents.** Except as expressly set forth in this Agreement, Company will control, be responsible and have the sole right (but not the obligation), at its own expense, for all aspects of the Prosecution and Maintenance of Company Background Patents and Company Agreement Patents, other than Company Product-Specific Patents. Prior to Option Exercise for a particular Collaboration Target, (a) Company will use Commercially Reasonable Efforts to Prosecute and Maintain one or more Patent applications that would constitute Company Product-Specific Patents following the License Effective Date with respect to such Collaboration Target and (b) prior to the filing of any Patent application that Covers Collaboration Compounds or Licensed Products, the IP Committee will meet and in good faith discuss dividing such applications to include one or more Patent applications that would constitute Company Product-Specific Patents following the License Effective Date with respect to such Collaboration Target. The Parties, through the IP Committee, will use good faith efforts to agree on such strategy, with the goal of maximizing the value of the Parties' respective patent portfolios.

8.2.2 **Vertex Patents.** Vertex will control and be responsible and have the sole right (but not the obligation), at its own expense, for all aspects of the Prosecution and Maintenance of all Vertex Background Patents, Vertex Agreement Patents and Vertex Assigned Patents.

8.2.3 Company Product-Specific Patents; Joint Product-Specific Patents.

(a) **Prior to Option Exercise.** On a Collaboration Program-by- Collaboration Program basis prior to the License Effective Date for the applicable Collaboration Target, with respect to any Patent that would constitute a Company Product-Specific Patent or Joint Product-Specific Patent following the License Effective Date with respect to such Collaboration Target, Company will have the first right (but not the obligation) to Prosecute and Maintain the Joint Product-Specific Patents and the Company Product-Specific Patents.

(b) **Following Option Exercise.** On a Collaboration Program-by- Collaboration Program basis, the provisions of this Section 8.2.3(b) will apply with respect to Company Product-Specific Patents and Joint Product-Specific Patents for such Collaboration Program following the License Effective Date with respect to the applicable Collaboration Target. Vertex will have the first right (but not the obligation) to Prosecute and Maintain the Company Product-Specific Patents and Joint Product-Specific Patents using patent counsel of Vertex's choosing (or, alternatively, Vertex may in good faith direct Company to Prosecute and Maintain one or more such Patents in one or more countries using patent counsel acceptable to Vertex, and shall reimburse Company for its reasonable Out-of-Pocket Costs in connection therewith, in which case, Company will Prosecute and Maintain such Patents as directed by Vertex).

(c) **Vertex Assigned Patents.** Notwithstanding the foregoing, for the avoidance of doubt, to the extent Vertex exercises its right under Section 8.1.3, following such assignment, Vertex shall control the prosecution of such Vertex Assigned Patents in accordance with Section 8.2.2.

8.2.4 **Joint Agreement Patents.** The Parties will discuss and agree upon an allocation of responsibility for the Prosecution and Maintenance of Joint Agreement Patents, other than Joint Product-Specific Patents.

8.2.5 **Other Matters Pertaining to Prosecution and Maintenance of Patents.**

(a) During the Term, each Party will keep the other Party informed through the IP Committee (or to the other Party, if the IP Committee is disbanded) as to material developments with respect to the Prosecution and Maintenance of the Company Background Patents, Company Agreement Patents, Company Product-Specific Patents, Joint Agreement Patents (including Joint Product-Specific Patents) and Vertex Assigned Patents for which such Party has responsibility for Prosecution and Maintenance pursuant to this Section 8.2, including by providing copies of any office actions or office action responses or other correspondence that such Party provides to or receives from any patent office, including notice of all interferences, reissues, re-examinations, or oppositions, and all patent-related filings, and by providing the other Party the timely opportunity to have reasonable input into the strategic aspects of such Prosecution and Maintenance.

(b) If, during the Term, Vertex intends to abandon patent applications for any Company Product-Specific Patent, Joint Agreement Patent or Vertex Assigned Patent that Vertex is responsible for Prosecuting and Maintaining in a particular country, then Vertex will so notify Company of such intention at least [***] before such Patent will become abandoned, and Company will have the right, but not the obligation, to assume responsibility for the Prosecution and Maintenance thereof at its own expense with counsel of its own choice.

(c) If, during the Term, Company intends to abandon any Company Product-Specific Patent, Joint Product-Specific Patent or Joint Agreement Patent Covering a Collaboration Compound or Licensed Product, or any Patent that would constitute a Company Product-Specific Patent or Joint Product-Specific Patent following the License Effective Date with respect to the applicable Collaboration Target, that Company is responsible for Prosecuting and Maintaining in a particular country, then Company will notify Vertex of such intention at least [***] before such Patent will become abandoned, and Vertex will have the right, but not the obligation, to assume responsibility for the Prosecution and Maintenance thereof at its own expense with counsel of its own choice.

8.3 **Defense of Claims Brought by Third Parties.** If any Third Party brings a claim or otherwise asserts that a Licensed Product or Collaboration Compound infringes such Third Party's Patent or misappropriates such Third Party's Know-How (each, a "**Third-Party Infringement Claim**"), the Party first having notice of the claim or assertion will promptly notify the other Party in writing. Prior to the License Effective Date with respect to the applicable Collaboration Target, Company will have the sole right to undertake and control the defense or settlement of any Third-Party Infringement Claim using counsel of its choice, at its cost and

expense and, following the License Effective Date with respect to the applicable Collaboration Target, Vertex will have the sole right to undertake and control the defense or settlement of any Third-Party Infringement Claim using counsel of its choice, at its cost and expense (such Party having the right to control such defense, the “**Defending Party**”). If the Party not having the right to control such defense in accordance with the preceding sentence (the “**Non-Defending Party**”) is named as a defendant in such suit, the Non-Defending Party will have the right to participate in such defense and settlement with its own counsel, at its cost. The Defending Party will not enter into any settlement of any Third-Party Infringement Claim that is instituted or threatened to be instituted against the Non-Defending Party without the Non-Defending Party’s prior written consent, which will not be unreasonably withheld, conditioned or delayed; *except that*, such consent will not be required if such settlement includes a release of all liability in favor of the Non-Defending Party or an assumption of any unreleased liability by the Defending Party. As requested by the Defending Party, the Non-Defending Party will provide reasonable cooperation and assistance to the Defending Party in connection with the Defending Party’s control of the defense or settlement of a Third-Party Infringement Claim. Such cooperation and assistance will include executing all necessary and proper documents and taking such actions as will be appropriate to allow the Defending Party to control the defense and settlement of such Third-Party Infringement Claim. The Defending Party will reimburse the Non-Defending Party for the reasonable Out-of-Pocket Costs incurred by the Non-Defending Party in providing such assistance and cooperation; *except that* the Defending Party will have no obligation to reimburse the Non-Defending Party for any costs or expenses incurred if the Non-Defending Party exercises its right to participate in the defense and settlement of a Third-Party Infringement Claim with its own counsel. The Defending Party will keep the Non-Defending Party reasonably informed of the progress of any Third-Party Infringement Claim.

8.4 Enforcement of Patents Against Competitive Infringement.

8.4.1 **Company Patents.** As between the Parties, Company shall have the sole right, but not the obligation, to institute, prosecute and control any action or proceeding with respect to any infringement of any Company Background Patent and Company Agreement Patent (other than any Company Product-Specific Patent or any Patent that would constitute a Company Product-Specific Patent following the License Effective Date with respect to a Collaboration Target), by counsel of its own choice, in Company’s own name and under Company’s direction and control.

8.4.2 **Duty to Notify of Competitive Infringement.** During the Term, if either Party learns of an infringement, unauthorized use, misappropriation or threatened infringement by a Third Party with respect to any Company Product-Specific Patent or Joint Product-Specific Patent (or, prior to the License Effective Date with respect to a Collaboration Target, any Patent that would constitute a Company Product-Specific Patent or Joint Product-Specific Patent following the License Effective Date with respect to such Collaboration Target) by reason of the making, using, offering to sell, selling or importing of a compound or product that would be competitive with a Collaboration Compound or Licensed Product in the Field in the Territory (a “Competitive Infringement”), such Party will promptly notify the other Party in writing and will provide such other Party with available information regarding such Competitive Infringement.

8.4.3 Prior to Option Exercise. As between the Parties, for any Competitive Infringement with respect to a Collaboration Compound directed against a Collaboration Target for which a License Effective Date has not yet occurred, Company will have the sole right, but not the obligation to institute, prosecute, and control a Proceeding to enforce any Patent that would constitute a Company Product-Specific Patent or Joint Product-Specific Patent following the License Effective Date with respect to a Collaboration Target against such Competitive Infringement by counsel of its own choice. Vertex will have the right to engage counsel of its own choice in connection with such Proceeding at its own expense. Company will provide Vertex with prompt written notice of the commencement of any such Proceeding, and Company will keep Vertex apprised of the progress of such Proceeding.

8.4.4 Following Option Exercise. As between the Parties, for any Competitive Infringement with respect to a particular Collaboration Compound or Licensed Product directed against a Collaboration Target for which a License Effective Date has occurred, Vertex will have the first right, but not the obligation, to institute, prosecute, and control a Proceeding to enforce the Company Product-Specific Patent or Joint Product-Specific Patent against such Competitive Infringement by counsel of its own choice at its own expense, and Company will have the right, at its own expense, to be represented in that action by counsel of its own choice. If Vertex fails to initiate such Proceeding within a period of [***] after written notice of such Competitive Infringement is first provided by a Party under Section 8.4.2, Company will have the right to initiate and control a Proceeding to enforce the Company Product-Specific Patent or Joint Product-Specific Patent against such Competitive Infringement by counsel of its own choice, and Vertex will have the right to be represented in any such action by counsel of its own choice at its own expense; *provided that* if Vertex notifies Company during such [***] period that it is electing in good faith not to institute any Proceeding to enforce the Company Product-Specific Patent or Joint Product-Specific Patent against such Competitive Infringement for strategic reasons intended to maintain the commercial value of the relevant Patent or Know-How and any Collaboration Compound or Licensed Product Covered thereby or relating thereto, Company will not have the right to initiate and control any Proceeding to enforce the Company Product-Specific Patent or Joint Product-Specific Patent against such Competitive Infringement.

8.4.5 Joinder.

(a) If a Party initiates a Proceeding in accordance with this Section 8.4, the other Party agrees to be joined as a party plaintiff where necessary and to give the first Party reasonable assistance and authority to file and prosecute the Proceeding. Subject to Section 8.4.6, the costs and expenses of each Party incurred pursuant to this Section 8.4.5(a) will be borne by the Party initiating such Proceeding.

(b) If one Party initiates a Proceeding in accordance with this Section 8.4, the other Party may join such Proceeding as a party plaintiff where necessary for such other Party to seek lost profits with respect to such infringement.

8.4.6 Share of Recoveries Prior to Option Exercise. Any damages or other monetary awards recovered, prior to Vertex's exercise of the applicable Option, with respect to a Proceeding brought pursuant to this Section 8.4 will be shared as follows:

(a) the amount of such recovery will first be applied to the Parties' reasonable Out-of-Pocket Costs incurred in connection with such Proceeding (which amounts will be allocated pro rata if insufficient to cover the totality of such expenses); then

(b) any remaining proceeds constituting direct or actual damages for acts of infringement will be retained by Company.

8.4.7 **Share of Recoveries Following Option Exercise.** Any damages or other monetary awards recovered, following Vertex's exercise of the applicable Option, with respect to a Proceeding brought pursuant to this Section 8.4 will be shared as follows:

(a) the amount of such recovery will first be applied to the Parties' reasonable Out-of-Pocket Costs incurred in connection with such Proceeding (which amounts will be allocated pro rata if insufficient to cover the totality of such expenses); then

(b) any remaining proceeds constituting direct or actual damages for acts of infringement will be paid to, or retained by, Vertex; provided that such amounts will be included in [***] in which such amounts are received by Vertex; and

(c) any remaining proceeds constituting punitive or treble damages will be allocated between the Parties as follows: the Party initiating the Proceeding will retain [***] of such proceeds and the other Party will receive [***] of such proceeds.

8.4.8 **Settlement.** Notwithstanding anything to the contrary under this ARTICLE 8, neither Party may enter a settlement, consent judgment or other voluntary final disposition of a suit under this ARTICLE 8 that disclaims, limits the scope of, admits the invalidity or unenforceability of, or grants a license, covenant not to sue or similar immunity under a Patent owned or controlled by the other Party or its Affiliates without first obtaining the written consent of the Party that owns or controls the relevant Patent; provided that the foregoing restriction will not apply with respect to any Sublicense granted by Vertex.

8.5 **Other Infringement.**

8.5.1 **Joint Agreement Patents.** With respect to the infringement of a Joint Agreement Patent that is not a Competitive Infringement, neither Party shall enforce any Joint Agreement Patent unless mutually agreed by the Parties, *provided that* the Parties will cooperate in good faith to bring suit together against such infringing party or the Parties may decide to permit one Party to solely bring suit. Any damages or other monetary awards recovered with respect to a Proceeding brought pursuant to this Section 8.5.1 will be shared as follows: (a) the amount of such recovery will first be applied to the Parties' reasonable Out-of-Pocket Costs incurred in connection with such Proceeding (which amounts will be allocated *pro rata* if insufficient to cover the totality of such expenses); then (b) any remaining proceeds will be allocated as follows: (i) if the Parties jointly initiate a Proceeding pursuant to this Section 8.5.1, each Party will be allocated [***] of such proceeds; and (ii) if only one Party initiates the Proceeding pursuant to this Section 8.5.1, such Party will retain [***] of such proceeds and the other Party will receive [***] of such proceeds.

8.5.2 **Patents Solely Owned by Company.** Company will retain all rights to pursue an infringement of any Patent solely owned by Company that is not a Competitive Infringement and Company will retain all recoveries with respect thereto.

8.5.3 **Patents Solely Owned by Vertex.** Vertex will retain all rights to pursue an infringement of any Patent solely owned by Vertex and Vertex will retain all recoveries with respect thereto.

8.6 **Patent Listing.** Following the License Effective Date for a Vertex Target, Vertex will have the sole right, but not the obligation, to submit to all applicable Regulatory Authorities patent information pertaining to each applicable Licensed Product pursuant to 21 U.S.C. § 355(b)(1)(G), any similar statutory or regulatory requirement enacted in the future, or any similar statutory or regulatory requirement in any non-U.S. country or other regulatory jurisdiction.

8.7 **CREATE Act.** Notwithstanding anything to the contrary in this ARTICLE 8, neither Party will have the right to make an election under the CREATE Act when exercising its rights under this ARTICLE 8 without the prior written consent of the other Party, which will not be unreasonably withheld, conditioned or delayed. With respect to any such permitted election, the Parties will use reasonable efforts to cooperate and coordinate their activities with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a “joint research agreement” as defined in the CREATE Act. Notwithstanding the foregoing, the other Party’s consent under this Section 8.7 will not be required in connection with an obviousness-type double patenting rejection in any patent application claiming a Collaboration Compound, Licensed Product, or uses thereof.

8.8 **Patent Term Extension.** On a Vertex Target-by-Vertex Target basis, solely following the License Effective Date for such Vertex Target and solely with respect to the Company Product-Specific Patents, Joint Product-Specific Patents and Vertex Assigned Patents applicable to Licensed Products directed against such Vertex Target, as between the Parties, Vertex will be solely responsible for obtaining patent term restoration in any country in the Territory under any statute or regulation equivalent or similar to 35 U.S.C. § 156, where applicable to a Licensed Product directed against the applicable Vertex Target. In exercising the foregoing responsibility with respect to a Vertex Target following the License Effective Date for such Vertex Target, Vertex will determine which relevant Company Product-Specific Patents, Joint Product-Specific Patents and Vertex Assigned Patents will be extended (including, without limitation, by filing supplementary protection certificates and any other extensions that are now or in the future become available). Company will abide by Vertex’s determination and cooperate, as reasonably requested by Vertex, in connection with the foregoing (including by providing appropriate information and executing appropriate documents), at Vertex’s cost.

8.9 **Recording.** If Vertex deems it necessary or desirable to register or record this Agreement or evidence of this Agreement with any patent office or other appropriate Governmental Authority in one or more jurisdictions in the Territory, Company will reasonably cooperate to execute and deliver to Vertex any documents accurately reflecting or evidencing this Agreement that are necessary or desirable, in Vertex’s reasonable judgment, to complete such registration or recordation. Vertex will reimburse Company for all reasonable Out-of-Pocket Costs, including attorneys’ fees, incurred by Company in complying with the provisions of this Section 8.9.

8.10 **Unitary Patent System.** Vertex will have the exclusive right to opt-in or opt-out of the EU Unitary Patent System for all Product-Specific Patents. For clarity, “to opt-in or optout” refers to both the right to have or have not a European patent application or an issued European patent registered to have unitary effect within the meaning of Regulation (EU) No 1257/2012 of December 17, 2012 as well as the Agreement on a Unified Patent Court as of February 19, 2013; and to the right to opt-in or opt-out from the exclusive competence of the Unified Patent Court in accordance with Article 83 (3) of that Agreement on a Unified Patent Court. Without limiting the generality of the foregoing, unless a Party or its Affiliate has expressly opted in to the EU Unitary Patent System with respect to a given Patent, the other Party will not initiate any action under the EU Unitary Patent System without such Party’s prior written approval, such approval to be granted or withheld in such Party’s sole discretion.

8.11 **Trademarks.** Following Option Exercise with respect to a Collaboration Target, all trademarks, trade dress and copyrights used in connection with the Commercialization of the Licensed Products directed against such Collaboration Target in the Field in the Territory will be selected and owned exclusively by Vertex.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES

9.1 **Representations and Warranties of Vertex.** Vertex hereby represents and warrants to Company, as of the Effective Date, that:

(a) Vertex is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization;

(b) Vertex (i) has the requisite power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder and (ii) has taken all requisite action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;

(c) this Agreement has been duly executed and delivered on behalf of Vertex, and constitutes a legal, valid and binding obligation, enforceable against Vertex in accordance with the terms hereof, except to the extent that enforcement of the rights and remedies created hereby is subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors, or (ii) laws governing specific performance, injunctive relief and other equitable remedies;

(d) the execution, delivery and performance of this Agreement by Vertex will not constitute a default under or conflict with any agreement, instrument or understanding, oral or written, to which either entity is a party or by which either entity is bound, or violate any Applicable Law of any governmental body or administrative or other agency having jurisdiction over Vertex;

(e) Vertex 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 the execution and delivery of this Agreement; and

(f) Vertex has not employed (and, to the best of its knowledge, has not used a contractor or consultant that has employed) any Person debarred by the FDA (or subject to a similar sanction of EMA or foreign equivalent), or any Person that is the subject of an FDA debarment investigation or proceeding (or similar proceeding of EMA or foreign equivalent), in any capacity in connection with this Agreement.

9.2 Representations and Warranties of Company. Company hereby represents and warrants to Vertex, as of the Effective Date, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization;

(b) it (i) has the requisite power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder and (ii) has taken all requisite action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;

(c) this Agreement has been duly executed and delivered on behalf of Company, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with the terms hereof, except to the extent that enforcement of the rights and remedies created hereby is subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors, or (ii) laws governing specific performance, injunctive relief and other equitable remedies;

(d) the execution, delivery and performance of this Agreement by Company will not constitute a default under or conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, or violate any Applicable Law of any governmental body or administrative or other agency having jurisdiction over it;

(e) 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 the execution and delivery of this Agreement;

(f) the Company Background Technology constitutes all of the Patents and, except as expressly set forth on Schedule 9.2(f), Know-How, owned by or licensed to Company or its Affiliates that are necessary or useful to Research, Develop, Manufacture or Commercialize Collaboration Compounds and Licensed Products in the Field;

(g) to Company's Knowledge, the practice of the Degradation Platform by Company as contemplated by this Agreement will not constitute misappropriation of any Know-How of any Third Party;

(h) Company is the sole and exclusive owner of all Company Background Patents and, to Company's Knowledge, except as expressly set forth on Schedule 9.2(h), all Company Background Know-How, that exist as of the Effective Date, each of which is free and clear of any liens, charges and encumbrances (other than licenses granted to Third Parties that are not inconsistent with the options, rights and licenses (or sublicenses, as the case may be) granted to Vertex hereunder as of the Effective Date), and, as of the Effective Date, neither any license granted by Company or its Affiliates to any Third Party, nor any license granted by any Third Party to the Company or its Affiliates conflicts with the options, rights and licenses (or sublicenses, as the case may be) granted to Vertex hereunder as of the Effective Date, and Company is entitled to grant all options, rights and licenses (or sublicenses, as the case may be) under the Company Background Patents and, to Company's Knowledge, all Company Background Know-How, in each case, that it purports to grant to Vertex under this Agreement;

(i) Schedule 1.46 sets forth a true, correct and complete list of all Company Background Patents as of the Effective Date and indicates whether such Patent is owned by Company or licensed by Company from a Third Party and if so, identifies the licensor or sublicensor from which the Patent is licensed;

(j) to Company's Knowledge, all issued Patents within the Company Background Patents are in full force and effect. To Company's Knowledge, all Company Background Patents have been Prosecuted and Maintained from the respective patent offices in accordance with Applicable Law. Company has not received any written claims that any issued Company Background Patent is invalid or unenforceable;

(k) with respect to the Company Background Patents, Company has obtained assignments from the inventors of all inventorship rights relating to such Patents, and all such assignments of inventorship rights relating to such Patents have been properly executed and recorded in the relevant U.S. and foreign patent offices;

(l) Company and its Affiliates have taken commercially reasonable measures consistent with industry practices to protect the secrecy, confidentiality and value of all Company Background Know-How that constitutes trade secrets under Applicable Law (including requiring all employees, consultants and independent contractors to execute binding and enforceable agreements requiring all such employees, consultants and independent contractors to maintain the confidentiality of such Company Background Know-How) and, to Company's Knowledge, such Company Background Know-How has not been used, disclosed to or discovered by any Third Party except pursuant to such confidentiality agreements and to Company's Knowledge there has not been a breach by any party to such confidentiality agreements;

(m) no Company Background Technology is subject to any funding agreement with any government or governmental agency;

(n) there are not judgments or settlements against Company or any of its Affiliates, or, to Company's Knowledge, pending or threatened claims or litigation, in each case in connection with the Company Background Technology or relating to the transactions contemplated by this Agreement; and

(o) Company has not employed (and, to the best of its Knowledge, has not used a contractor or consultant that has employed) any Person debarred by the FDA (or subject to a similar sanction of EMA or foreign equivalent), or any Person that is the subject of an FDA debarment investigation or proceeding (or similar proceeding of EMA or foreign equivalent), in any capacity in connection with this Agreement.

9.3 **Vertex Covenants.** Vertex hereby covenants to Company that, except as expressly permitted under this Agreement:

(a) Vertex will, and will require its Affiliates and Subcontractors to comply with all Applicable Law in its and their conduct of activities pursuant to this Agreement, including where appropriate GMP, GCP and GLP (or similar standards);

(b) all employees and subcontractors of Vertex performing Research, Development, Manufacturing or Commercialization activities hereunder on behalf of Vertex will be obligated to assign to Vertex all right, title and interest in and to any inventions that constitute Degradation Agreement Technology developed by them in the conduct of such Research, Development, Manufacturing or Commercialization activities, whether or not patentable, other than (i) any improvements to the proprietary core or platform technology owned or in-licensed by any Subcontractor or its Affiliates or (ii) academic collaborators acting as Subcontractors; provided that, in the case of this clause (ii), Vertex obtains a sublicenseable license from such academic collaborator under any such inventions and intellectual property rights therein unless otherwise agreed in writing by Company;

(c) where this Agreement refers to an action or obligation to be undertaken by Vertex's Affiliates, Vertex will cause such Affiliates to undertake such obligations or other actions, and Vertex will be responsible and liable for any acts or omissions by its Affiliates.

(d) Vertex will not engage directly or indirectly, in any capacity in connection with this Agreement any Person who either has been debarred by the FDA, is the subject of a conviction described in Section 306 of the FD&C Act or is subject to any such similar sanction; and

(e) Vertex will inform Company in writing promptly if it or any Person engaged by Vertex or any of its Affiliates who is performing services under this Agreement or any ancillary agreements is debarred or is the subject of a conviction described in Section 306 of the FD&C Act, or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to Vertex's knowledge, is threatened, relating to the debarment or conviction of Vertex, any of its Affiliates or any such Person performing services hereunder or thereunder.

9.4 **Company Covenants.** Company hereby covenants to Vertex that, except as expressly permitted under this Agreement:

(a) Company will, and will require its Affiliates and Subcontractors to, comply with all Applicable Law in its and their conduct of the Research Activities and Follow- On Research, including where appropriate GMP, GCP and GLP (or similar standards);

(b) Company will maintain and not breach in a manner that could reasonably be expected to give rise to a termination right of the licensor party, and will cause its Affiliates to maintain and not breach in a manner that could reasonably be expected to give rise to a termination right of the licensor party, any Collaboration In-License Agreement;

(c) Company will promptly notify Vertex in writing of any material breach by Company or its Affiliate or a Third Party of any Collaboration In-License Agreement, and in the event of a breach by Company or its Affiliate, will permit Vertex to cure such breach on Company's or its Affiliates behalf upon Vertex request, subject to the terms of the applicable Collaboration In-License Agreement;

(d) Company will not, and will cause its Affiliates not to, amend, modify or terminate any Collaboration In-License Agreement in a manner that would adversely affect Vertex's rights hereunder without first obtaining Vertex's written consent;

(e) Company will not, and will cause its Affiliates not to, amend, modify or terminate the Existing Third Party Agreement in a manner that would adversely affect Vertex's rights hereunder without first obtaining Vertex's written consent;

(f) where this Agreement refers to an action or obligation to be undertaken by Company's Affiliates, Company will cause such Affiliates to undertake such obligations or other actions, and Company will be responsible and liable for any acts or omissions by its Affiliates;

(g) neither Company nor any of its Affiliates will effect any corporate restructuring or enter into any new agreement or otherwise obligate itself to any Third Party, or amend an existing agreement with a Third Party, in each case, in a manner that conflicts with or otherwise adversely affects the options, rights and licenses (or sublicenses, as the case may be) granted to Vertex hereunder; provided that nothing herein shall restrict Company or an Affiliate of Company that is such an Affiliate as a result of controlling Company (with such control being determined as described in Section 1.5), if any, from undergoing a Change of Control or effectuating an assignment in accordance with Section 13.1;

(h) Company will not, and will cause its Affiliates not to (i) license, sell, assign or otherwise transfer to any Person any Licensed Technology (or agree to do any of the foregoing) or (ii) incur or permit to exist, with respect to any Licensed Technology, any lien, encumbrance, charge, security interest, mortgage, liability, grant of license to Third Parties or other restriction (including in connection with any indebtedness), in each case, that would conflict with, limit, impair or restrict the options, rights and licenses (or sublicenses, as the case may be) granted to Vertex hereunder, including by entering into or otherwise allowing itself or its Affiliates to be subject to any agreement pursuant to which any Know-How or Patents owned or in-licensed by Company or its Affiliates that would, absent such agreement, constitute Licensed Technology under this Agreement cease to be Controlled by Company; provided that nothing herein shall restrict Company or an Affiliate of Company that is such an Affiliate as a result of controlling Company (with such control being determined as described in Section 1.5), if any, from undergoing a Change of Control or effectuating an assignment in accordance with Section 13.1;

(i) all employees and Subcontractors of Company performing Research or Development activities hereunder on behalf of Company will be obligated to assign to Company all right, title and interest in and to any inventions developed by them related to this Agreement, whether or not patentable, other than (i) any improvements to the proprietary core or platform technology owned or in-licensed by any Subcontractor or its Affiliates or (ii) academic collaborators acting as Subcontractors; provided that, in the case of this clause (ii), Company obtains a sublicenseable license from such academic collaborator under any such inventions and intellectual property rights therein unless otherwise agreed in writing by Vertex;

(j) Company will not engage directly or indirectly, in any capacity in connection with this Agreement any Person who either has been debarred by the FDA, is the subject of a conviction described in Section 306 of the FD&C Act or is subject to any such similar sanction; and

(k) Company will inform Vertex in writing promptly if it or any Person engaged by Company or any of its Affiliates who is performing services under this Agreement or any ancillary agreements is debarred or is the subject of a conviction described in Section 306 of the FD&C Act, or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to Company's knowledge, is threatened, relating to the debarment or conviction of Company, any of its Affiliates or any such Person performing services hereunder or thereunder.

9.5 **Disclaimer.** EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED (AND EACH PARTY HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES NOT EXPRESSLY PROVIDED IN THIS AGREEMENT), INCLUDING WITH RESPECT TO ANY PATENTS OR KNOW-HOW, OR MATERIALS, INCLUDING WARRANTIES OF VALIDITY OR ENFORCEABILITY OF ANY PATENTS, TITLE, QUALITY, COMPLETENESS, ACCURACY, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, PERFORMANCE, AND NONINFRINGEMENT OF ANY THIRD PARTY PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS. WITHOUT LIMITING THE FOREGOING, NEITHER PARTY MAKES ANY REPRESENTATION, WARRANTY OR GUARANTEE THAT ANY PROGRAM WILL BE SUCCESSFUL, THAT ANY OTHER PARTICULAR RESULTS WILL BE ACHIEVED WITH RESPECT TO ANY PROGRAM OR ANY COLLABORATION COMPOUND OR LICENSED PRODUCT HEREUNDER.

ARTICLE 10 INDEMNIFICATION; INSURANCE; LIMITATIONS

10.1 **Indemnification.**

10.1.1 **Indemnification by Vertex.** Vertex will indemnify, defend and hold harmless Company, its Affiliates, and its and its Affiliates' employees, officers, directors and agents and their respective successors, heirs and assigns (each, a "Company Indemnified Party") from and against any liability, loss, damage or expense (including reasonable attorneys' fees and expenses) (collectively, "Liability") that the Company Indemnified Party may incur or otherwise be required to pay to one or more Third Parties in connection with any Third Party suit, investigation, claim or demand resulting from or arising out of:

(a) the Research, Development, Manufacture, Commercialization or use of any Collaboration Compound or Licensed Product by, on behalf of, or under the authority of, Vertex (other than by any Company Indemnified Party);

(b) the material breach by Vertex of any of its representations, warranties or covenants set forth in this Agreement; or

(c) the negligence or intentional acts of Vertex or any Vertex Indemnified Party; and except, in each case ((a)-(c)), to the extent such claims fall within the scope of Company's indemnification obligations under Section 10.1.2 (or would have had the Third Party claim been made against Vertex under this Agreement) as to which Liability each Party will indemnify the other to the extent of their respective liability.

10.1.2 Indemnification by Company. Company will indemnify, defend and hold harmless Vertex, its Affiliates and its and its Affiliates' employees, officers, directors and agents and their respective successors, heirs and assigns (each, a "Vertex Indemnified Party") from and against any Liability that the Vertex Indemnified Party may incur or otherwise be required to pay to one or more Third Parties in connection with any Third Party suit, investigation, claim or demand resulting from or arising out of:

(a) Company's or its Affiliate's Research, Development, Manufacture or Commercialization of any Collaboration Compound or Licensed Product prior to Option Exercise with respect to the applicable Collaboration Target;

(b) Company's or its Affiliate's research, development, manufacture or commercialization of any Degradator directed against a Terminated Target;

(c) the material breach by Company of any of its representations, warranties or covenants set forth in this Agreement; or

(d) the negligence or intentional acts of Company or any Company Indemnified Party; and except, in each case ((a)-(d)), to the extent such claims fall within the scope of Vertex's indemnification obligations under Section 10.1.1 (or would have had the Third Party claim been made against Company under this Agreement) as to which Liability each Party will indemnify the other to the extent of their respective liability.

10.1.3 Procedure. Each Party will notify the other Party in writing if it becomes aware of a claim for which such Party may seek indemnification hereunder. If any Proceeding (including any governmental investigation) is instituted against a Party with respect to which indemnity may be sought pursuant to Section 10.1.1 or 10.1.2, as applicable, such Party (the "Indemnified Party") will give prompt written notice of the indemnity claim to the other Party (the "Indemnifying Party") and provide the Indemnifying Party with a copy of any complaint, summons or other written notice that the Indemnified Party receives in connection with any such claim. An Indemnified Party's failure to deliver such written notice will relieve the Indemnifying Party of liability to the Indemnified Party under Section 10.1.1 or 10.1.2, as applicable, only to the

extent such delay is prejudicial to the Indemnifying Party's ability to defend such claim and allow the Indemnifying Party to assume the defense of claim. *Provided that* the Indemnifying Party is not contesting the indemnity obligation, the Indemnified Party will permit the Indemnifying Party to control any litigation relating to such claim and the disposition of such claim by negotiated settlement or otherwise (subject to this Section 10.1) and any failure to contest such obligation prior to assuming control will be deemed to be an admission of the obligation to indemnify. The Indemnifying Party will act reasonably and in good faith with respect to all matters relating to such claim and will not settle or otherwise resolve such claim without the Indemnified Party's prior written consent, which will not be unreasonably withheld, conditioned or delayed; *provided that* such consent will not be required with respect to any settlement involving only the payment of monetary awards for which the Indemnifying Party will be fully-responsible. The Indemnified Party will cooperate with the Indemnifying Party in the Indemnifying Party's defense of any claim for which indemnity is sought under this Agreement, at the Indemnifying Party's cost and expense.

10.2 **Insurance.** Throughout the Term, Company and Vertex will respectively, at their own cost and expense, obtain and maintain the insurance coverage listed on Schedule 10.2 from insurance carriers licensed to do business under the laws of the country, state, commonwealth, province, or territory in which such Party's obligations are provided, with insurers that carry a rating of at least an A- VII or better from A.M. Best. Each Party will furnish to the other Party evidence of such insurance upon request. Notwithstanding the foregoing, Vertex may self-insure to the extent that it self-insures other activities.

10.3 **Limitation of Consequential Damages.** Except for (a) claims of a Third Party that are subject to indemnification under this ARTICLE 10, (b) claims arising out of a Party's willful misconduct or (c) a Party's breach of Section 5.6, 5.8 or 5.9 or ARTICLE 12, neither Party nor any of its Affiliates will be liable to the other Party or its Affiliates for any incidental, consequential, special, punitive or other indirect damages or lost or imputed profits or royalties, lost data or cost of procurement of substitute goods or services, whether liability is asserted in contract, tort (including negligence and strict product liability), indemnity or contribution, and irrespective of whether that Party or any representative of that Party has been advised of, or otherwise might have anticipated the possibility of, any such loss or damage.

ARTICLE 11 TERM; TERMINATION

11.1 **Term; Expiration.** This Agreement is effective as of the Effective Date and, unless earlier terminated pursuant to the other provisions of this ARTICLE 11, will expire as follows (such period, the "**Term**"):

(a) on a country-by-country and Licensed Product-by-Licensed Product basis, on the date of expiration of all payment obligations under this Agreement with respect to such Licensed Product in such country; and

(b) in its entirety (i) upon the expiration of all payment obligations under this Agreement with respect to all Licensed Products in all countries pursuant to Section 11.1(a) or (ii) upon the termination of this Agreement with respect to all Collaboration Targets pursuant to clause (a) of Section 11.2.1.

11.2 Termination of the Agreement.

11.2.1 **Automatic Termination of Collaboration Target.** If (a) Vertex fails to timely exercise an Option with respect to a Collaboration Target in accordance with Section 4.1.1 prior to the applicable Option Deadline, or (b) Company substitutes a Reserved Target or other Target for a Collaboration Target in accordance with Section 2.3.1, this Agreement shall automatically terminate with respect to such Collaboration Target, and, for clarity, such Collaboration Target shall become a Terminated Target, with no further action by the Parties.

11.2.2 **Vertex's Termination for Convenience.** Vertex may terminate this Agreement, either in its entirety or on a Collaboration Target-by-Collaboration Target basis, for convenience by providing written notice of its intent to terminate to Company, in which case, such termination will be effective [***] after Company's receipt of such written notice, and, for clarity, any such Collaboration Target, or each Collaboration Target to the extent this Agreement is terminated in its entirety, shall become a Terminated Target.

11.2.3 Termination for Material Breach.

(a) **Vertex's Right to Terminate.** If Vertex believes that Company is in material breach of this Agreement, Vertex may deliver written notice of such material breach to Company. If the breach is curable, Company will have [***] following its receipt of such written notice to cure such breach. If Company fails to cure such breach within such [***] period or the breach is not subject to cure (a "Company Breach Event"), (i) Vertex may terminate this Agreement, in its entirety or with respect to the particular Collaboration Target to which the breach relates, by providing written notice to Company, in which case, this Agreement will terminate in its entirety or with respect to such Collaboration Target, as applicable, on the date on which Company receives such written notice or (ii) Vertex may elect to exercise the alternate remedy provision set forth in Section 11.3; *provided, however,* that if (A) the relevant breach is curable, but not reasonably curable within [***], and (B) Company is making a *bona fide* effort to cure such breach, Vertex's right to terminate this Agreement or elect to exercise the alternate remedy provision set forth in Section 11.3 on account of such breach will be suspended for so long as Company is continuing to make such *bona fide* effort to cure such breach and if such breach is successfully cured, Vertex will no longer have the right to terminate this Agreement or elect to exercise the alternate remedy provisions set forth in Section 11.3 on account of such breach.

(b) Company's Right to Terminate.

(i) If Company believes that Vertex is in material breach of this Agreement, Company may deliver written notice of such material breach to Vertex. If the breach is curable, Vertex will have [***] following its receipt of such written notice to cure such breach (except to the extent such breach involves the failure to make a payment when due, which breach must be cured within [***] following its receipt of such written notice). If Vertex fails to cure such breach within the [***] or [***] period, as applicable, or the breach is not subject to cure, Company may terminate this Agreement, solely with respect to the particular Collaboration Target to which the breach relates (or, if such breach relates to all Collaboration Targets, with respect to this Agreement in its entirety), by providing written notice to Vertex, in which case, this Agreement will terminate with respect to the applicable Collaboration Target (or, if applicable, in

its entirety) on the date on which Vertex receives such written notice; provided, however, that if (i) the relevant breach (A) does not involve Vertex's failure to make a payment when due and (B) is curable, but not reasonably curable within [***], and (ii) Vertex is making a bona fide effort to cure such breach, Company's right to terminate this Agreement on account of such breach will be suspended for so long as Vertex is continuing to make such bona fide effort to cure such breach and if such breach is successfully cured, Company will no longer have the right to terminate this Agreement on account of such breach.

(ii) If Vertex or its Affiliates (A) commences or actively and voluntarily participates in any action or proceeding (including any patent opposition or reexamination proceeding), or otherwise asserts any claim, challenging or denying the validity or enforceability of any claim of any Company Background Patent, Company Agreement Patent or Joint Agreement Patent or (B) actively and voluntarily assists, or directs or supports any other Person in bringing or prosecuting any action or proceeding (including any patent opposition or reexamination proceeding) challenging or denying the validity or enforceability of any claim of any Company Background Patent, Company Agreement Patent or Joint Agreement Patent (each of (A) and (B), a "Patent Challenge"), then, to the extent permitted by Applicable Law, Company shall have the right, in its sole discretion, to terminate this Agreement with respect to any Collaboration Target to which such Patent relates, upon written notice to Vertex, [***] following such notice, and, unless Vertex withdraws or causes to be withdrawn all such challenge(s) (or in the case of *ex-parte* proceedings, multi-party proceedings, or other Patent Challenges that Vertex does not have the power to unilaterally withdraw or cause to be withdrawn, Vertex ceases assisting any other party to such Patent Challenge and, to the extent Vertex is a party to such Patent Challenge, it withdraws from such Patent Challenge within such [***] period), this Agreement shall automatically terminate with respect to any Collaboration Target to which such Patent relates. The foregoing right to terminate shall not apply with respect to any Patent Challenge where the Patent Challenge is made in defense of an assertion of the relevant Patent that is first brought by Company against Vertex. For the avoidance of doubt, any participation by Vertex or its employees in any claim, challenge or proceeding in response to a subpoena or as required under a pre-existing agreement between Vertex's employee(s) or consultant(s) and their prior employer(s) shall not constitute active and voluntary participation or assistance and shall not give rise to Company's right to terminate this Agreement.

(iii) On a Vertex Target-by-Vertex Target basis, if Vertex and its Affiliates and Sublicensees cease all Research, Development and Commercialization activities with respect to Collaboration Compounds or Licensed Products directed against such Vertex Target for a period of not less than [***], and such cessation is not due to a requirement of a Regulatory Authority, a Force Majeure, a delay by a supplier or other vendor or any similar event outside of Vertex's or its Affiliates' or Sublicensees' reasonable control, Company shall have the right to terminate this Agreement with respect to such Collaboration Target upon [***] written notice thereof to Vertex.

11.2.4 **Disputes Regarding Material Breach.** Notwithstanding the foregoing, if the Breaching Party in Section 11.2.3 disputes in good faith the existence, materiality, or failure to cure of any breach, and provides written notice to the Non-Breaching Party of such dispute within the relevant cure period, the Non-Breaching Party will not have the right to terminate this Agreement in accordance with Section 11.2.3, or the right to exercise the alternative remedy provision of 11.3, as applicable, unless and until the relevant dispute has been resolved. During the pendency of such dispute, all the terms of this Agreement will remain in effect and the Parties will continue to perform all of their respective obligations hereunder.

11.2.5 **Termination for Insolvency.** If, at any time during the Term, either Party makes an assignment for the benefit of creditors, appoints or suffers appointment of a receiver or trustee over all or substantially all of its property, files a petition under any bankruptcy or insolvency act or has any such petition filed against it that is not discharged within [***] after the filing thereof (each, an “Insolvency Event”), the other Party may terminate this Agreement in its entirety by providing written notice of its intent to terminate this Agreement to such Party, in which case, this Agreement will terminate on the date on which such Party receives such written notice.

11.3 **Alternative Remedy to Termination.** If a Company Breach Event occurs, and Vertex has the right to terminate this Agreement in accordance with Section 11.2.3(a) (including expiration of any applicable cure periods thereunder), in lieu of exercising such termination right, Vertex may elect the alternative remedy provision of this Section 11.3 by providing written notice of such election to Company before the end of such applicable cure period, in which case, this Agreement will continue in full force and effect, *provided that* starting immediately after the end of such applicable cure period, the Milestone Payments under Section 7.5 will be reduced by [***] and royalty payments under Section 7.6 will be reduced by [***] (after giving effect to all other applicable deductions under such Section 7.6).

11.4 **Consequences of Expiration or Termination of the Agreement.**

11.4.1 **In General.** If this Agreement expires or is terminated in its entirety or with respect to one or more Collaboration Targets by a Party pursuant to Section 11.2, the following terms will apply to this Agreement, either in its entirety or with respect to the Collaboration Targets that are the subject of such termination, as the case may be:

- (a) except in the case of Company for any Confidential Information of Vertex that is Vertex Reversion Technology, each Party will take all action required under Section 12.3;
- (b) termination or expiration of this Agreement for any reason will be without prejudice to any rights or financial compensation that will have accrued to the benefit of a Party prior to such expiration or termination. Such expiration or termination will not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement;
- (c) if this Agreement is terminated in its entirety, the JAC and IP Committee will be dissolved as of the effective date of such termination; and
- (d) the following provisions of this Agreement will survive the expiration or termination of this Agreement: ARTICLE 1 (to the extent the definitions or schedules are used in other surviving provisions), Section 5.4, Section 5.6.1(a) (for the applicable time period set forth therein), Section 5.6.2(a) (for the applicable time period set forth therein), Section 5.6.2(c), Section 5.6.2(d), Section 5.6.3 (for the applicable time period set forth therein), Section 5.7, Section 5.8 (for the applicable time periods set forth in the surviving provisions of

Section 5.6.1, Section 5.6.2 or Section 5.6.3), Section 5.9 (for the applicable time periods set forth in the surviving provisions of Section 5.6.1, Section 5.6.2 or Section 5.6.3), Section 5.10, Section 5.11 (for the applicable time periods set forth therein), Section 5.12 (for the applicable time periods set forth therein), Sections 7.1 through 7.2 (inclusive, solely to the extent the amounts set forth therein have not already been paid), Sections 7.3 through 7.7 (inclusive, solely to the extent applicable and with respect to any amounts due prior to expiration or termination), Section 7.9 (solely to the extent applicable and with respect to any amounts due prior to expiration or termination), Sections 7.10 through 7.13 (inclusive, solely to the extent applicable or with respect to an accrued obligation otherwise contemplated by Section 11.4.1(b)), Section 8.1.1, Section 8.1.2, Section 8.5 (with respect to proceedings to the extent relating to events occurring prior to the effective date of termination) Section 9.5, Section 10.1, Section 10.3, this Section 11.4, Sections 12.1 through 12.5 (inclusive and for the time period set forth therein) and ARTICLE 13.

11.4.2 Effects of Termination. If this Agreement is terminated in its entirety or with respect to one or more Collaboration Targets by a Party pursuant to Section 11.2 or if a Collaboration Target otherwise becomes a Terminated Target, the following terms will apply with respect to any Collaboration Targets that are the subject of such termination, as the case may be:

(a) if such termination occurs prior to Option Exercise, the Option granted to Vertex with respect to the Terminated Target(s) shall terminate;

(b) except as set forth in Section 11.4.2(e), the Exclusive License with respect to all Collaboration Compounds and Licensed Products directed against the Terminated Target(s) will terminate;

(c) except as set forth in this Section 11.4, each Parties' rights and obligations under this Agreement with respect to the Terminated Target(s) shall automatically cease as of the Assessment Time;

(d) any permitted Sublicense of Vertex with respect to the Terminated Targets, as applicable, will, at the Sublicensee's option, survive such termination on the condition that the relevant Sublicensee is not in material breach of any of its obligations under such Sublicense. In order to effect this provision, at the request of the Sublicensee, Company will enter into a direct license with the Sublicensee on terms that are substantially the same terms as the applicable terms (including economic terms) of this Agreement; provided that (i) Company will not be required to undertake obligations in addition to those required by this Agreement, (ii) Company's right under such direct license will be consistent with its rights under this Agreement, taking into account the scope of the license granted under such direct license, (iii) the license grant by Company to such Sublicensee shall only include the Licensed Technology in existence as of the effective date of termination and Vertex Reversion Technology with respect to Reversion Products and Program Degraders (as applicable) and (iv) Company will not be required to grant to such Sublicensee any then-unexercised rights granted to Vertex under Section 5.11 or Section 5.12;

(e) subject to patient and other ethical considerations, Vertex shall winddown any ongoing Clinical Trials for any Licensed Product directed against the Terminated Target(s) in accordance with Applicable Law, at Vertex's cost;

(f) solely in the case of termination with respect to a Terminated Other Target, effective as of the Assessment Time, Vertex hereby grants to Company an exclusive, royalty-bearing, irrevocable, perpetual, license, which Company may sublicense through multiple tiers, under all Vertex Reversion Technology to research, develop, manufacture, have manufactured, use, sell, offer for sale, import, export and commercialize (i) any Collaboration Compound or Licensed Product directed against such Terminated Other Target (each a “Reversion Product”) and (ii) any Degradator that constitutes an improvement, modification or derivative of such Collaboration Compound or Licensed Product made by or on behalf of Company or any of its Affiliates or licensees and that is directed against such Terminated Other Target (each of (i) and (ii), a “Program Degradator”), in each case ((i) and (ii)), in the Field in the Territory; *provided that* if the grant of such license to Company with respect to any Know-How or Patent included in the Vertex Reversion Technology or Company’s exercise of such license would trigger a royalty or other payment to a Third Party or would require compliance with any provision of any license between Vertex and a Third Party, Vertex will so notify Company in writing and such Know-How or Patent will only be included in the foregoing license if, following receipt of such notice, Company agrees in writing to reimburse Vertex for all such payments to such Third Party and comply with any such provision; and

(g) solely in the case of termination with respect to a Terminated Other Target, Company will pay Vertex or its designated Affiliate a royalty as set forth below, depending on the stage at which such [***] (defined *mutatis mutandis* with Section 1.139) of Program Degradators directed against such Terminated Other Target (including Net Sales by Company’s Affiliates and licensees):

| <u>Stage of Terminated Other Target at Time of Termination</u> | <u>Royalty Rate (%)</u> |
|--|-------------------------|
| [***] | [***] |
| [***] | [***] |
| [***] | [***] |
| [***] | [***] |

The terms of Sections 7.6.2 and 7.10-7.13 will apply with respect to Company’s payment of such royalty, *mutatis mutandis*; and

(h) solely in the case of termination with respect to a Terminated Other Target, Vertex will, as promptly as practicable,

(i) assign and transfer to Company or its designee ownership of all Marketing Approvals, Regulatory Filings and Price Approvals solely relating to the Research, Development, Manufacture or Commercialization of any Reversion Product;

(ii) transfer to Company or its designee copies of all material correspondence and conversation logs with Regulatory Authorities in Vertex’s possession or control related to any Reversion Product in the Territory and all material data, reports, records and other sales and marketing related information in Vertex’s possession or control that relate solely to the Research, Development, Manufacture, Commercialization of the Reversion Products in the Territory;

(iii) at Company's request, appoint Company as Vertex's or Vertex's Affiliates' or Sublicensees' agent for all Reversion Product related matters in the Territory involving Regulatory Authorities until all Marketing Approvals, Regulatory Filings and Price Approvals in the Territory have been assigned to Company or its designee and in the event of a failure to obtain assignment, Vertex will consent and grant Company the right to access and reference (without any further action on the part of Vertex) any Marketing Approvals, Regulatory Filings or Price Approvals;

(iv) assign to Company or its designated Affiliate all Vertex Assigned Patents with respect to Licensed Products directed against such Terminated Other Target and will take all actions and provide Company with all reasonably requested assistance to effect such transfer and assignment and will execute any and all documents necessary to perfect such transfer and assignment;

(v) no later than [***] following such termination, transfer to Company or its designee (A) a copy of all Know-How that constitutes Vertex Reversion Technology, including any documentation (whether held in paper or electronic format) or similar removable media (including e-mails, documents, spreadsheets, copies of standard operating procedures or technical specifications), in Vertex's possession or control, and (B) any Materials transferred by Company to Vertex in accordance with Section 2.8 that relate to such Terminated Other Target;

(vi) if the effective date of termination is after the First Commercial Sale of a Reversion Product, then at Company's request, to the extent permitted by Applicable Law, Vertex or its Affiliate will, and Vertex will use Commercially Reasonable Efforts to cause its Sublicensee, if applicable, to, appoint Company as its exclusive distributor of such Reversion Product in the Territory and grant Company the right to appoint sub-distributors, until such time as all Regulatory Filings, Marketing Approvals and Price Approvals in the Territory have been transferred to Company or its designee;

(vii) if Vertex or its Affiliate or Sublicensee is the sole source Manufacturer of finished product with respect to Reversion Products on the effective date of termination of this Agreement, then at Company's reasonable request, Vertex or its Affiliate will, and Vertex will use Commercially Reasonable Efforts to cause its Sublicensee to, negotiate in good faith to enter into a commercially reasonable supply agreement pursuant to which Vertex or such Affiliate would supply such finished product to Company for a reasonable period of time, not to exceed the earlier of [***];

(viii) at Company's reasonable request, use Commercially Reasonable Efforts to facilitate the establishment of a business relationship between Company and any Third Party Subcontractor that Vertex has engaged in the Research, Development, Manufacture or Commercialization of a Reversion Product, including by facilitating introductions with such Subcontractors, and use Commercially Reasonable Efforts to assign to Company any agreements with any such Third Party Subcontractor that are exclusively related to a Reversion Product;

(ix) promptly transfer and assign to Company all of Vertex's and its Affiliates' rights, title, and interests in and to any trademarks (if any) exclusively used in connection with the Reversion Products (but not any Vertex house marks or any trademark containing the word "Vertex") owned by Vertex and used for the Reversion Products in the Territory, if applicable; and

(x) transfer to Company any inventory of the Reversion Products (if any) in the possession or control of Vertex or its Affiliates as of the termination date, at Company's cost for both the transport of the same and reimbursement of Vertex's (or Affiliate's or Sublicensee's) fully burdened manufacturing cost for such inventory.

ARTICLE 12 CONFIDENTIALITY

12.1 **Confidentiality.** During the Term and for [***] thereafter, each Party (the "Receiving Party") receiving any Confidential Information of the other Party (the "Disclosing Party") hereunder will: (a) keep the Disclosing Party's Confidential Information confidential; (b) not publish, or allow to be published, and not otherwise disclose, or permit the disclosure of, the Disclosing Party's Confidential Information to any Third Party; and (c) not use, or permit to be used, the Disclosing Party's Confidential Information for any purpose, except, in each case, to the extent expressly permitted under this Agreement or otherwise agreed in writing. Without limiting the generality of the foregoing, to the extent that either Party provides the other Party any Confidential Information owned by any Third Party, the Receiving Party will handle such Confidential Information in accordance with the terms of this ARTICLE 12 applicable to a Receiving Party.

12.2 **Authorized Disclosure.** Notwithstanding Section 12.1, each Party may disclose the other Party's Confidential Information to the extent such disclosure is reasonably necessary to:

(a) file or prosecute patent applications as contemplated by this Agreement;

(b) prosecute or defend litigation;

(c) its actual or potential Sublicensees (solely in the case of Vertex) and actual or potential Subcontractors, in each case, in connection with the exercise of its rights and performance of its obligations under this Agreement; provided that such disclosure is covered by terms of confidentiality at least as restrictive as those set forth herein;

(d) subject to the remainder of this Section 12.2, its advisors (including financial advisors, attorneys and accountants), actual or potential acquisition partners, financing sources or investors and underwriters on a need to know basis; provided that such disclosure is covered by terms of confidentiality similar to those set forth herein (which may include professional ethical obligations); or

If a Party deems it reasonably necessary to disclose Confidential Information belonging to the other Party pursuant to Sections 12.2(a), 12.2(b) or 12.2(e), the Disclosing Party will, to the extent possible, give reasonable advance notice of such disclosure to the other Party and take reasonable measures to ensure confidential treatment of such information.

Notwithstanding anything to the contrary contained herein, in no event may Company disclose Vertex's Confidential Information to any Third Party (including any of Company's investors, collaborators or licensees) engaged in the research, development, manufacture or commercialization of pharmaceutical products, other than to actual or potential Subcontractors. Notwithstanding anything to the contrary contained herein, in no event may Vertex disclose Company's Confidential Information to any Third Party (including any of Vertex's investors, collaborators or licensees) engaged in the research, development, manufacture or commercialization of pharmaceutical products, other than to actual or potential Subcontractors or Sublicensees.

12.3 Expiration or Termination of this Agreement. Following the expiration or termination of this Agreement, if requested by the Disclosing Party, at the Receiving Party's election, the Receiving Party will return or destroy, all data, files, records and other materials containing or comprising the Disclosing Party's Confidential Information, except to the extent such Confidential Information is necessary or useful to conduct surviving obligations or exercise surviving rights. Notwithstanding the foregoing, (a) the Receiving Party will be permitted to retain one copy of such data, files, records, and other materials for archival and legal compliance purposes and (b) the Receiving Party will not be required to delete or destroy any electronic back-up tapes or other electronic back-up files that have been created solely by the Receiving Party's automatic or routine archiving and back-up procedures, to the extent created and retained in a manner consistent with its or their standard archiving and back-up procedures.

12.4 SEC Filings and Other Disclosures. Either Party may disclose the terms of this Agreement to the extent required to comply with Applicable Law, including the rules and regulations promulgated by the United States Securities and Exchange Commission or any equivalent governmental agency in any country in the Territory; *provided that* such Party will provide the other Party a reasonable opportunity to review such disclosure and reasonably consider the other Party's comments regarding confidential treatment sought for such disclosure.

12.5 Residual Knowledge Exception. Notwithstanding any provision of this Agreement to the contrary, a Receiving Party may use any Residual Knowledge for any purpose; *provided that*, for clarity, this right to use Residual Knowledge does not represent a license to any Patents owned or Controlled by the Disclosing Party. Notwithstanding the foregoing, this Section 12.5 shall not apply to any Know-How Controlled by Company through a Collaboration In-License Agreement, unless such Collaboration In-License Agreement includes terms and conditions that permit such use, *provided that* Company discloses to Vertex, in accordance with Section 7.7 with respect to each Collaboration In-License Agreement, whether such Collaboration In-License Agreement permits such use. Any use made by the Receiving Party of Residual Knowledge is on an "as is, where is" basis, with all faults and all representations and warranties disclaimed at the Receiving Party's sole risk.

12.6 **Public Announcements; Publications.**

12.6.1 **Announcements.** On a date to be determined mutually by the Parties, which date shall be within [***] of the Effective Date, the Parties will jointly issue a press release regarding the signing of this Agreement in a mutually agreed form. Except (a) as set forth in the preceding sentence and (b) as required to comply with Applicable Law (including the rules and regulations promulgated by the United States Securities and Exchange Commission or any equivalent governmental agency in any country in the Territory in accordance with Section 12.4), and (c) as may be expressly permitted under Section 12.4, neither Party will make any public announcement regarding this Agreement without the prior written approval of the other Party. Notwithstanding the foregoing, subject to Section 12.6.2, (i) Vertex may make scientific publications or public announcements concerning its Research, Development, Manufacture or Commercialization activities with respect to any Collaboration Compound or Licensed Product under this Agreement without Company's prior written approval; provided, however, that except as permitted under Section 12.2, Vertex will not disclose any of Company's Confidential Information in any such publication or announcement without obtaining Company's prior written consent to do so, and (ii) Company may make public announcements concerning: (x) [***]; and (y) [***]; provided that, in each case ((x) and (y)), (1) prior to making any such public announcement, Company will (A) consult with Vertex with respect to the timing of the relevant announcement, (B) provide Vertex with a copy of the proposed announcement, (C) in good faith coordinate the timing of such announcements with Vertex's disclosures regarding Licensed Products, and (2) any such public announcement does not disclose the actual amounts received by Company from Vertex with respect to such events, but only the fact that the applicable event occurred and that payment was received from Vertex in connection therewith.

12.6.2 **Publications.**

(a) **Publications Prior to License Effective Date.** During the Term prior to a License Effective Date with respect to a Vertex Target following Vertex's exercise of the Option with respect to the applicable Collaboration Target, neither Party will make any academic, scientific or medical publication or academic, scientific or medical public presentation related to such Collaboration Target, any Collaboration Compound or Licensed Product directed against such Collaboration Target or any activities conducted pursuant to this Agreement with respect to such Collaboration Target, in each case, without the other Party's prior written consent.

(b) **Publications Following License Effective Date.** During the Term following a License Effective Date with respect to a Vertex Target, Vertex will submit to Company for review any proposed academic, scientific and medical publication or academic, scientific and medical public presentation related to such Vertex Target, any Collaboration Compound or Licensed Product directed against such Vertex Target or any activities conducted pursuant to this Agreement with respect to such Vertex Target. Company will review such publication or presentation for purposes of determining whether any portion of the proposed publication or presentation contains Company's Confidential Information. Vertex will submit written copies of such proposed publication or presentation to Company no later than [***] before submission for

publication or presentation (or five Business Days in advance in the case of an abstract). Company will provide its comments with respect to such publications and presentations within [***] after its receipt of such written copy (or [***] in the case of an abstract). If requested by Company, Vertex will redact Company's Confidential Information from any such proposed publication or presentation. Vertex will comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties in any publication. Notwithstanding the foregoing, Vertex's obligation to submit any publication to Company for review and approval under this Section 12.6.2(b) will not apply to any publication that does not contain Company's Confidential Information. During the Term following a License Effective Date with respect to a Vertex Target, Company will not make any academic, scientific or medical publication or academic, scientific or medical public presentation related to such Vertex Target, any Collaboration Compound or Licensed Product directed against such Vertex Target or any activities conducted pursuant to this Agreement with respect to such Vertex Target.

(c) **Publications Regarding Degradation Platform.** Notwithstanding anything to the contrary in this Section 12.6.2, Company may, at any time during the Term, make academic, scientific or medical publications or academic, scientific or medical public presentations related to the Degradation Platform, *provided that* such academic, scientific or medical publications or academic, scientific or medical public presentations do not disclose any information specific to a Collaboration Target, any Collaboration Compound or Licensed Product directed against such Collaboration Target or any activities conducted pursuant to this Agreement with respect to such Collaboration Target.

12.7 **Vertex Information Rights.**

12.7.1 If Vertex determines in good faith upon advice of its independent financial auditor that Company is an entity that is subject to financial consolidation with Vertex for the purposes of its quarterly and annual financial statements (or otherwise requires such information in order to comply with GAAP), Company will make available to Vertex:

(a) as soon as practicable, but in any event within [***] (i) an unaudited balance sheet as of the end of such Calendar Quarter, (ii) unaudited statements of income and cash flows for such Calendar Quarter, (iii) an unaudited statement of stockholders' equity for such period, and (iv) a detailed trial balance as of the end of such Calendar Quarter, all prepared in accordance with GAAP (except that such financial statements may (x) be subject to year-end audit adjustments and (y) not contain all notes thereto that may be required in accordance with GAAP);

(b) as soon as practicable, but in any event within [***] (i) an audited balance sheet as of the end of such Calendar Year, (ii) audited statements of income and cash flows for such Calendar Year, (iii) an audited statement of stockholders' equity for such Calendar Year and (iv) a detailed trial balance as of the end of such Calendar Year, together with related footnotes all prepared in accordance with GAAP and audited and certified by a nationally recognized independent public accounting firm;

(c) on or prior to December 31 of each Calendar Year, Company will perform a 409A analysis of the fair value of Company's stock as of December 1 of such year as prepared by an independent valuation expert; and

(d) any other information or agreements requested by Vertex and reasonably necessary for the purposes of its quarterly and annual financial statements.

ARTICLE 13 MISCELLANEOUS

13.1 **Assignment.** This Agreement will not be assignable by any Party to any Third Party without the written consent of the non-assigning Party. Notwithstanding the foregoing, either Party may, subject to the terms of this Agreement (including Section 13.2), assign this Agreement or its rights and obligations under this Agreement, without the written consent of the other Party, to an Affiliate or to a Third Party that acquires all or substantially all of the business or assets of such Party to which this Agreement relates (whether by merger, reorganization, acquisition, sale or otherwise), and agrees in writing to be bound by the terms of this Agreement. The assigning Party will promptly notify the other Party in writing of any permitted assignment or transfer under the provisions of this Section 13.1. This Agreement will be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein will be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this Section 13.1 will be void.

13.2 Change of Control.

13.2.1 **Notification.** Each Party will notify the other Party in writing promptly (and in any event within [***) following the closing of a Change of Control of such Party.

13.2.2 **Effects of Change of Control.** If, during the Term, either Party undergoes a Change of Control, from and after the effective date of such Change of Control, such Acquired Party and its Preexisting Affiliates, on the one hand, and the acquirer and its Affiliates (other than such Acquired Party and its Preexisting Affiliates), on the other hand, shall establish and enforce internal processes, policies, procedures and systems to segregate the other Party's Confidential Information, including the Research Plans, Development Plans and Commercialization Plans and reports pursuant to Section 6.1 and Section 6.4, such that the acquirer and its Affiliates (other than such Acquired Party and its Preexisting Affiliates) do not obtain access to Confidential Information of the other Party.

13.3 **Force Majeure.** Each Party will be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by Force Majeure and the nonperforming Party promptly provides written notice of the Force Majeure to the other Party. Such excuse will continue for so long as the condition constituting a Force Majeure continues, on the condition that the nonperforming Party continues to use Commercially Reasonable Efforts to remove or mitigate the Force Majeure and resume performance of its obligations under this Agreement.

13.4 **Representation by Legal Counsel.** Each Party hereto represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, no presumption will exist or be implied against the Party that drafted such terms and provisions.

13.5 **Notices.** All written notices which are required or permitted hereunder will be in writing and sufficient if delivered personally or sent by nationally-recognized overnight courier, addressed as follows:

If to Vertex:

Vertex Pharmaceuticals Incorporated
Attn: Business Development
50 Northern Avenue
Boston, Massachusetts 02110

with a copy to:

Vertex Pharmaceuticals Incorporated
Attn: Corporate Legal
50 Northern Avenue
Boston, Massachusetts 02110

and:

Ropes & Gray LLP
Attn: Marc Rubenstein
Prudential Tower
800 Boylston Street
Boston, Massachusetts 02199

If to Company:

Kymera Therapeutics, Inc.
Attn: Chief Executive Officer
300 Technology Square, 2nd Floor
Cambridge, Massachusetts 02139

with a copy to:

Goodwin Procter LLP
Attn: Sarah Solomon
00 Northern Avenue
Boston, MA 02210

or to such other address as the Party to whom written notice is to be given may have furnished to the other Party in writing in accordance herewith. In addition, each Party will deliver a courtesy copy to the other Party's Alliance Manager concurrently with such notice. Any such written notice will be deemed to have been given and received by the other Party: (a) when delivered if personally delivered; or (b) on receipt if sent by overnight courier.

13.6 **Amendment.** No amendment, modification or supplement of any provision of this Agreement will be valid or effective unless made in writing and signed by a duly authorized officer of each of Vertex and Company. For clarity, references in this Agreement to a “written acknowledgement” shall not be deemed to be an amendment, modification or supplement of this Agreement.

13.7 **Waiver.** No provision of this Agreement will be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party. The waiver by either Party of any breach of any provision hereof by the other Party will not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself.

13.8 **Severability.** If any clause or portion thereof in this Agreement is for any reason held to be invalid, illegal or unenforceable, the same will not affect any other portion of this Agreement, as it is the intent of the Parties that this Agreement will be construed in such fashion as to maintain its existence, validity and enforceability to the greatest extent possible. In any such event, this Agreement will be construed as if such clause of portion thereof had never been contained in this Agreement, and there will be deemed substituted therefor such provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by Applicable Law.

13.9 **Descriptive Headings.** The descriptive headings of this Agreement are for convenience only and will be of no force or effect in construing or interpreting any of the provisions of this Agreement.

13.10 **Export Control.** This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States of America or other countries that may be imposed upon or related to Company or Vertex from time to time. Each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate Governmental Authority.

13.11 **Governing Law.** This Agreement, and all claims arising under or in connection therewith, will be governed by and interpreted in accordance with the substantive laws of The State of New York, without regard to conflict of law principles thereof.

13.12 **Jurisdiction; Venue; Service of Process.** Each Party irrevocably submits to the exclusive jurisdiction of (a) the courts of the State of New York located in New York, NY, and (b) the United States District Court for the Southern District of New York, for the purposes of any actions, suits and proceedings (collectively, “**Actions**”) arising out of this Agreement. Each Party agrees to commence any such Action either in the United States District Court for the Southern District of New York or if such Action may not be brought in such court for jurisdictional reasons, in the courts of the State of New York located in New York, NY. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any Action arising out of this Agreement in (i) the courts of the State of New York located in New York, NY, and (ii) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Action brought in any such court has been brought in an inconvenient forum.

13.13 **Dispute Resolution.** If a dispute arises between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith (a “**Dispute**”), it will be resolved pursuant to this Section 13.13.

13.13.1 **Informal Dispute Resolution; Escalation to Executive Officers.** In the event of any Dispute, the Parties will first attempt in good faith to resolve such Dispute by negotiation and consultation between themselves. If, after [***] from receipt of the written notice of a Dispute, such Dispute has not been resolved on an informal basis, either Party may refer any Dispute to the Executive Officers of the Parties by delivering written notice to the other Party, who will confer in good faith on the resolution of the issue for a [***] period following receipt of such written notice. If any Dispute is not resolved within such [***] period by the Executive Officers, each Party may, at its sole discretion, seek resolution of such Dispute in accordance with Section 13.13.2.

13.13.2 **Jurisdiction; Jury Trial; Equitable Relief.**

(a) Except as otherwise provided in Section 13.13.3, the sole jurisdiction and venue for all actions, suits and proceedings arising out of a Dispute (whether in contract, tort or otherwise) will be the federal courts (or if such courts do not have subject matter jurisdiction, the state courts) located in the Borough of Manhattan in New York, New York, U.S.A. Each Party hereby irrevocably and unconditionally (a) consents to submit to the exclusive jurisdiction of the federal courts (or if such courts do not have subject matter jurisdiction, the state courts) located in the Borough of Manhattan in New York, New York, U.S.A. for any action, suit or proceeding arising out of a Dispute, and (b) waives any objection to the laying of venue of any action, suit or proceeding arising out of a Dispute in the state and federal courts of the Borough of Manhattan in New York, New York, U.S.A. and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) EXCEPT AS LIMITED BY LAWS, EACH PARTY HEREBY IRREVOCABLY 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 ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

13.13.3 **Equitable Relief.** Notwithstanding the foregoing in this Section 13.13, nothing contained in this Agreement will in any way limit or preclude a Party from, at any time, seeking or obtaining equitable relief hereunder, whether preliminary or permanent, including a temporary or permanent restraining order, preliminary or permanent injunction, specific performance or any other form of equitable relief, from any United States court of competent jurisdiction if necessary to protect the interests of such Party. Each Party agrees that its unauthorized release of the other Party’s Confidential Information or its breach of Sections 5.6, 5.8 or 5.9 of this Agreement will cause irreparable damage to other Party for which recovery of

damages would be inadequate, and that such other Party will be entitled to obtain timely injunctive relief with respect to such breach, without the need to show irreparable harm or the inadequacy of monetary damages as a remedy, and without the requirement of having to post bond or other security, as well as any further relief that may be granted by a court of competent jurisdiction.

13.13.4 **Tolling.** The Parties agree that all applicable statutes of limitation and time-based defenses (such as estoppel and laches), as well as all time periods in which a Party must exercise rights or perform obligation hereunder, will be tolled once the dispute resolution procedures set forth in this Section 13.13 have been initiated, and the Parties will cooperate in taking all actions reasonably necessary to achieve such a result, provided however that tolling for all applicable statutes of limitation will end and time-based defenses may be reasserted if the Dispute remains pending more than [***] after delivery of the first written notice of the Dispute and no Party has sought relief in a court of competent jurisdiction.

13.14 **Entire Agreement.** This Agreement constitutes and contains the complete, final and exclusive understanding and agreement of the Parties and cancels and supersedes all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof, including the CDA, which is hereby superseded and replaced in its entirety as of the Effective Date.

13.15 **Independent Contractors.** Both Parties are independent contractors under this Agreement. Nothing contained herein will be deemed to create an employment, agency, joint venture or partnership relationship between the Parties or any of their agents or employees, or any other legal arrangement that would impose liability upon one Party for the act or failure to act of the other Party. Neither Party will have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

13.16 **Interpretation.** Except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa), (b) the words “include,” “includes” and “including” will be deemed to be followed by the phrase “without limitation,” (c) the word “will” will be construed to have the same meaning and effect as the word “shall,” (d) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any Person will be construed to include the Person’s successors and assigns, (f) the words “herein,” “hereof” and “hereunder,” and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Sections or Schedules will be construed to refer to Sections or Schedules of this Agreement, and references to this Agreement include all Schedules hereto, (h) provisions that require that a Party, the Parties or any committee hereunder “agree,” “consent” or “approve” or the like will require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (i) references to any specific law, rule or regulation, or article, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, (j) any action or occurrence deemed to be effective as of a particular date will be deemed to be effective as of 11:59 PM ET on such date and (k) the term “or” will be interpreted in the inclusive sense commonly associated with the term “and/or.”

13.17 **No Third Party Rights or Obligations.** No provision of this Agreement will be deemed or construed in any way to result in the creation of any rights or obligations in any Person not a Party to this Agreement.

13.18 **Further Actions.** Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

13.19 **Counterparts.** This Agreement may be executed in two counterparts, each of which will be an original and both of which will constitute together the same document. Counterparts may be signed and delivered by digital transmission (*e.g.*, .pdf), each of which will be binding when received by the applicable Party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their representatives thereunto duly authorized as of the Effective Date.

VERTEX PHARMACEUTICALS INCORPORATED

KYMERA THERAPEUTICS, INC.

By: /s/ Jeffrey Leiden
Name: Jeffrey Leiden
Title: Chairman, President and Chief Executive Officer

By: /s/ Laurent Audoly
Name: Laurent Audoly
Title: President and Chief Executive Officer

[Signature Page to Master Collaboration Agreement]

Schedule 1.145
OEDP Contents

Upon mutual agreement of the Parties with respect to a specific Collaboration Target, items may be added or removed from the following list for such Collaboration Target.

[***]

Schedule 1.164

[***]

[***]

Schedule 1.178
Reserved Targets

| <u>Name</u> | <u>ENSEMBL GENE ID</u> |
|-------------|------------------------|
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |

Schedule 1.205

[***]

[***]

Schedule 9.2(f)

[***]

[***]

Schedule 9.2(h)

[***]

[***]

**Schedule 10.2
Insurance Requirements**

| <u>INSURANCE TYPE</u> | <u>MINIMUM LIMITS</u> | <u>MINIMUM COVERAGE</u> | <u>RESPECTIVELY MUST BE MAINTAINED BY</u> |
|-----------------------|-----------------------|-------------------------|---|
| *** | *** | *** | *** |
| *** | *** | *** | *** |
| *** | *** | *** | *** |
| *** | *** | *** | *** |
| *** | *** | *** | *** |

SUBSIDIARIES

Subsidiary
Kymera Securities Corporation

Jurisdiction of Incorporation
Massachusetts