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

FORM 8-K

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

Date of Report (Date of earliest event reported): June 17, 2020

COMPASS THERAPEUTICS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	000-55939	EIN 82-4876496
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

245 First Street
3rd Floor
Cambridge, Massachusetts 02142
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (617) 500-8099

Olivia Ventures, Inc.
2255 Glades Road
Suite 324A
Boca Raton, Florida 33431
(Former name or former address, if changed since last report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act: none.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

We were incorporated as Olivia Ventures, Inc. in the State of Delaware on March 20, 2018. Prior to the Merger (as defined below), we were a "shell company" (as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended, or the Exchange Act). As a result of the Merger, we have ceased to be a "shell company".

On June 17, 2020, our wholly-owned subsidiary, Compass Acquisition LLC, a Delaware limited liability company, or the Acquisition Sub, merged with and into Compass Therapeutics LLC, a privately held Delaware limited liability company, or Compass Therapeutics, in a transaction which we refer to as the Merger. Additionally, certain of our wholly-owned subsidiaries, each, a Blocker Merger Sub, merged with and into the applicable blocker entity, or the Blockers, in transactions which we refer to as the Blocker Mergers.

Upon completion of the Merger and the Blocker Mergers:

- Compass Therapeutics was the surviving entity in the Merger and became our wholly-owned subsidiary;
- each Blocker was the surviving entity in the applicable Blocker Merger and became our wholly-subsidiary;
- all of the preferred membership interests of Compass Therapeutics held by accredited investors were converted into common membership interests, except for the preferred membership interests held by the Blockers, which were cancelled without consideration;
- all of the common membership interests of Compass Therapeutics (including common membership interests issued upon the conversion of preferred membership interests) were converted into 31,627,139 shares of our common stock;
- all of the outstanding equity interests of the Blockers were converted into 7,428,217 shares of our common stock; and
- with respect to 15 holders of an aggregate of 131,472 common membership interests of Compass Therapeutics who were not accredited investors, we paid an aggregate of approximately $68 thousand in cash in consideration for cancelling such membership interests.

On June 17, 2020, our board of directors and all of our pre-Merger stockholders approved our amended and restated certificate of incorporation, which was effective upon its filing with the Secretary of State of the State of Delaware after completion of the Merger on June 17, 2020, pursuant to which, among other things, we changed our name to "Compass Therapeutics, Inc." On June 17, 2020, our board of directors also adopted amended and restated bylaws.

As a result of the Merger, we acquired the business of Compass Therapeutics and we will continue the existing business operations of Compass Therapeutics as a public reporting company under the name Compass Therapeutics, Inc.

On June 19, 2020, we sold 12,096,442 shares of our common stock pursuant to the initial closing of a private placement offering, or the Offering, for up to 14,000,000 shares of our common stock (plus up to an additional 2,000,000 shares of our common stock to cover over-subscriptions, if any) at a purchase price of $5.00 per share. We may hold one or more subsequent closings at any time prior to July 19, 2020, unless otherwise extended, to sell any remaining shares in the Offering. Additional information concerning the Offering is presented below under Item 2.01, "*Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions—The Offering*" and "*Completion of Acquisition or Disposition of Assets—Description of Securities*", and under Item 3.02, "*Unregistered Sales of Equity Securities*".

In accordance with “reverse merger” or “reverse acquisition” accounting treatment, our historical financial statements as of period ends, and for periods ended, prior to the Merger will be replaced with the historical financial statements of Compass Therapeutics prior to the Merger in all future filings with the U.S. Securities and Exchange Commission, or the SEC.

In connection with the Merger, our board of directors approved a change in our fiscal year end from March 31 to December 31 to align with the fiscal year end of Compass Therapeutics, such change to be effective immediately following the Merger. Following such change, our current fiscal year will end on December 31, 2020.

As used in this Current Report on Form 8-K, or this Report, unless otherwise stated or the context clearly indicates otherwise, the terms the “Company”, the “Registrant”, “we”, “us” and “our” refer to Compass Therapeutics, Inc. after giving effect to the Merger and the company name change described above.

This Report contains summaries of the material terms of various agreements executed in connection with the transactions described herein. The summaries of these agreements are subject to, and are qualified in their entirety by, reference to these agreements, which are filed as exhibits hereto and incorporated herein by reference.

This Report responds to the following Items in Form 8-K:

Item 1.01	Entry into a Material Definitive Agreement.
Item 2.01	Completion of Acquisition or Disposition of Assets.
Item 3.02	Unregistered Sales of Equity Securities.
Item 3.03	Material Modification to Rights of Security Holders.
Item 4.01	Changes in Registrant’s Certifying Accountant.
Item 5.01	Changes in Control of Registrant.
Item 5.02	Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.
Item 5.03	Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.
Item 5.06	Change in Shell Company Status.
Item 5.07	Submission of Matters to a Vote of Security Holders.
Item 8.01	Other Events.
Item 9.01	Financial Statements and Exhibits.

The information included in this Report constitutes the current “Form 10 information” necessary to satisfy the conditions contained in Rule 144(i)(2) under the Securities Act of 1933, as amended, or the Securities Act.

This Report contains references to our trademarks and to trademarks belonging to other entities. Third-party product and company names mentioned herein may be the trademarks of their respective owners. Solely for convenience, the trademarks and trade names in this Report may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

FORWARD-LOOKING STATEMENTS

This Report, including the sections entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Business*", includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act. Forward-looking statements relate to, among others, our plans, objectives and expectations for our business, operations and financial performance and condition, and can be identified by terminology such as "may", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" and similar expressions that do not relate solely to historical matters. Forward-looking statements are based on management's belief and assumptions and on information currently available to management. Although we believe that the expectations reflected in forward-looking statements are reasonable, such statements 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 forward-looking statements.

Forward-looking statements include, but are not limited to, statements about:

- our expectations regarding the timing, progress and results of preclinical studies and clinical trials for CTX-471, CTX-8371, CTX-8573 and any other product candidates we develop, 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;
- the timing or likelihood of regulatory filings for CTX-471, CTX-8371, CTX-8573 and any other product candidates we develop and our ability to obtain and maintain regulatory approvals for such product candidates for any indication;
- our expectations regarding the potential benefits, activity, effectiveness and safety of CTX-471, CTX-8371, CTX-8573 and any other product candidates we develop;
- our intentions and ability to successfully commercialize our product candidates;
- our expectations regarding the nature of the biological pathways we are targeting;
- our expectations for our NKp30 innate cell engager platform, including our ability to discover and advance product candidates using our NKp30 innate cell engager platform;
- our estimates regarding the use of proceeds from the Private Placement, expenses, future revenues, capital requirements and our need for or ability to obtain additional financing, together with our current cash, cash equivalents and marketable securities, to fund our operations;
- our intended reliance on and the performance of third parties, including collaborators, contract research organizations and third-party manufacturers;
- our ability to protect and enforce our intellectual property protection and the scope and duration of such protection;
- developments and projections relating to our competitors and our industry, including competing therapies;
- the impact of current and future laws and regulations;
- the impact of the COVID-19 pandemic on our business, results of operations and future growth prospects;
- our intended use of proceeds from the Offering; and
- other risks and uncertainties, including those listed under the caption "*Risk Factors*".

We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which were based on results and trends at the time they were made, to anticipate future results or trends.

You should read this Report and the documents that we reference in this Report and have filed with the SEC as exhibits hereto 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. We qualify all of our forward-looking statements by the foregoing cautionary statements.

This Report includes statistical and other industry and market data from industry publications and third-party research, surveys and studies, which 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 Report, and we believe such industry publications and third-party research, surveys and studies are reliable.

Item 1.01 Entry into a Material Definitive Agreement.

The information contained in Item 2.01 below relating to the various agreements described therein is incorporated herein by reference. All descriptions of the agreements described below are subject to, and are qualified in their entirety by, reference to these agreements, which are filed as exhibits hereto and incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

THE MERGER AND RELATED TRANSACTIONS

Merger Agreement

On June 17, 2020, Olivia Ventures, Inc., Acquisition Sub, Compass Therapeutics, Blockers, Blockers Merger Subs and Blocker Holders entered into an Agreement and Plan of Merger and Reorganization, or the Merger Agreement. Pursuant to the terms of the Merger Agreement, on June 17, 2020, or the Closing Date, Acquisition Sub merged with and into Compass Therapeutics, with Compass Therapeutics continuing as the surviving entity and our wholly-owned subsidiary, and each Blocker Merger Sub merged with and into the applicable Blocker, with each Blocker continuing as the surviving entity and our wholly-owned subsidiary. As a result of the Merger, we acquired the business of Compass Therapeutics, a clinical-stage biotechnology company developing proprietary antibody therapeutics intended to engage the immune system to treat both solid tumors and hematological malignancies. See "*Description of Business*" for more information.

At the effective time of the Merger and the applicable effective time of each Blocker Merger, collectively, the Effective Time, an aggregate of 31,627,139 shares of our common stock were issued to holders of common membership interests of Compass Therapeutics (including common membership interests issued upon the conversion of preferred membership interests) and 7,428,217 shares of our common stock were issued to the holders of equity interests of the Blockers, after adjustments due to rounding for fractional shares. The issuances of shares of our common stock to the security holders of Compass Therapeutics and the Blockers are collectively referred to as the Share Conversion. With respect to 15 holders of an aggregate of 131,472 Compass Therapeutics common membership interests who were not accredited investors, we paid an aggregate of approximately $68 thousand in cash in consideration for cancelling such membership interests in connection with the Merger. In addition, 2,930,836 shares of our common stock were reserved for issuance under our 2020 Stock Option and Incentive Plan. Immediately prior to the Effective Time, an aggregate of 4,000,000 of the 5,000,000 shares of our common stock held by pre-Merger stockholders of Olivia Ventures, Inc. were forfeited and surrendered for cancellation, or the Stock Forfeiture.

The Merger Agreement contains customary representations and warranties and pre- and post-closing covenants of each party, as well as customary closing conditions.

As a condition to the Merger, we entered into indemnification agreements with our former officer and directors, pursuant to which we agreed to indemnify such former officer and directors for actions taken by them in their official capacities relating to the consideration, approval and consummation of the Merger and certain related transactions.

The Merger and the Blocker Mergers were treated as a recapitalization and reverse acquisition by us for financial reporting purposes. Compass Therapeutics is considered the acquirer for accounting purposes, and our historical financial statements before the Merger will be replaced with the historical financial statements of Compass Therapeutics before the Merger in future filings with the SEC. The Merger is intended to be treated as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code.

The issuance of securities pursuant to the Share Conversion was not registered under the Securities Act, in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering, and Rule 506 of Regulation D promulgated by the SEC thereunder. These securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement, and are subject to further contractual restrictions on transfer as described under "*Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters*".

Private Placement Offering

On June 19, 2020, we sold 12,096,442 shares of our common stock pursuant to the initial closing of a private placement offering for up to 14,000,000 shares of our common stock at a purchase price of $5.00 per share, or the Offering Price. We may hold one or more subsequent closings at any time prior to July 19, 2020, unless otherwise extended, to sell any remaining shares in the Offering. We may also sell up to an additional 2,000,000 shares of our common stock at the Offering Price to cover over-subscriptions in the event the Offering is oversubscribed.

Each investor in any subsequent closing will be required to represent that, at the time of the applicable closing, it (i) has a substantive, pre-existing relationship with us, or has direct contact with us or the Placement Agents (as defined below) or other enumerated parties outside of the Offering, and (ii) did not independently contact us as a result of general solicitation by means of this Report, any press release or any other public disclosure disclosing the material terms of the Offering.

The aggregate gross proceeds from the initial closing of the Offering were approximately $60.5 million (before deducting placement agent fees and total expenses in connection with the initial closing of the Offering, which are estimated at approximately $6.3 million).

The initial closing of the Offering was exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated by the SEC thereunder. The common stock in the initial closing of the Offering was sold to “accredited investors”, as defined in Regulation D, and was conducted on a “reasonable best efforts” basis.

The initial closing of the Offering was conditioned on the closing of the Merger and a minimum aggregate purchase price of $50.0 million for the shares of common stock sold in the Offering, including a minimum of $10.0 million purchased by certain insider investors introduced by Compass Therapeutics.

In connection with the Offering and subject to the closing of the Offering, we agreed to pay the placement agents, Raymond James & Associates, Inc., B. Riley FBR, Inc. and Katalyst Securities LLC, referred to collectively as the Placement Agents, each a U.S. registered broker-dealer, a cash placement fee of 8% of the gross proceeds raised in the Offering. We also agreed to pay certain expenses of the Placement Agents in connection with the Offering.

As a result of the foregoing, in connection with the initial closing of the Offering, we paid the Placement Agents an aggregate commission of approximately $4.7 million and reimbursed the Placement Agents for approximately $75 thousand of expenses.

Subject to certain customary exceptions, we have agreed to indemnify the Placement Agents to the fullest extent permitted by law against certain liabilities that may be incurred in connection with the Offering, including certain civil liabilities under the Securities Act, and, where such indemnification is not available, to contribute to the payments the Placement Agents and their sub-agents may be required to make in respect of such liabilities.

Registration Rights

In connection with the Merger and the Offering, we entered into a registration rights agreement, or the Registration Rights Agreement, pursuant to which we have agreed that promptly, but no later than 60 calendar days from the final closing of the Offering, we will file, subject to customary exceptions, a registration statement with the SEC, or the Registration Statement, covering (i) the shares of our common stock issued as a result of the Share Conversion, (ii) the shares of our common stock issued in the Offering, and (iii) 1,000,000 shares of our common stock held by the stockholders of Olivia Ventures, Inc. prior to the Merger. Such shares of common stock are referred to collectively as the Registrable Shares. We will use our commercially reasonable efforts to ensure that the Registration Statement is declared effective within 150 calendar days after the final closing of the Offering, or the Registration Effectiveness Date.

Subject to customary exceptions, if (i) we are late in filing the Registration Statement, (ii) the Registration Statement is not declared effective within 150 days after the Registration Effectiveness Date, (iii) we fail to maintain the effectiveness of the Registration Statement, (iv) the holders of Registrable Shares cannot use the Registration Statement to resell the Registrable Shares for a period of more than 15 consecutive trading days (except for suspension of the use of the Registration Statement during certain blackout periods), or (v) following the listing or inclusion for quotation on the OTC Markets Group, the Nasdaq Stock Market, or Nasdaq, the New York Stock Exchange, or the NYSE, or the NYSE American, trading of our common stock is suspended or halted for more than three full, consecutive trading days, we will make payments to each holder of Registrable Shares as monetary penalties at a rate equal to 12% per annum of the total value of Registrable Shares held or purchased by such holder and affected during the period, based on the Offering Price; provided that the maximum amount of monetary penalties paid by us will not exceed 5% of such total value. No monetary penalties will accrue with respect to (i) any Registrable Shares removed from the Registration Statement in response to a comment from the staff of the SEC limiting the number of shares of common stock which may be included in the Registration Statement, (ii) any Registrable Shares excluded from a Registration Statement because a holder fails to provide information concerning the holder and the manner of distribution of the holder's Registrable Shares that is required by SEC rules to be disclosed, and (iii) any circumstance in which the SEC does not declare the Registration Statement effective on or before 180 days after the final closing of the Offering, and the reason for the SEC's determination is that (a) the offering of any of the Registrable Shares constitutes a primary offering of securities by the Company, (b) Rule 415 may not be relied upon for the registration of the resale of any or all of the Registrable Shares, and/or (c) a holder of any Registrable Shares must be named as an underwriter and such holder does not consent to be so named in the Registration Statement. Notwithstanding the previous sentence, if the SEC does not declare the Registration Statement effective before the Registration Effectiveness Date, in certain circumstances, we may still be liable for liquidated damages if we do not continue to use our commercially reasonable efforts at the first opportunity that is permitted by the SEC to register for resale all such Registrable Securities, using one or more registration statements that we are then entitled to use. Any cutback resulting from a comment from the staff of the SEC limiting the number of shares of common stock which may be included in the Registration Statement will be allocated to the Registrable Shares pro rata based on the total number of such shares held by or issuable to each holder thereof.

We must use commercially reasonable efforts to keep the Registration Statement or a successor registration statement effective for five years from the date it is declared effective by the SEC or until the date on which all Registrable Shares have been transferred other than to certain enumerated permitted assignees under the Registration Rights Agreement. Subject to certain requirements, holders of Registrable Securities also have the right to demand the Company effect secondary underwritten offerings or block trades.

We will pay all expenses in connection with the registration obligations provided in the Registration Rights Agreement, including, without limitation, all registration, filing, and stock exchange fees, printing expenses, all fees and expenses of complying with applicable securities laws, the fees and disbursements of our counsel and of our independent accountants, and the reasonable fees and disbursements of a single counsel to the holders of the Registrable Securities, not to exceed $35,000. Each holder will be responsible for its own sales commissions, if any, transfer taxes and the expenses of any other attorney or advisor such holder decides to employ.

OTC Quotation

Our common stock is currently not listed on a national securities exchange or any other exchange, or quoted on an over-the-counter market. Following completion of the Offering, we intend to cause our common stock to be quoted on the OTC Markets QB tier as soon as practicable following the effectiveness of the Registration Statement. However, we cannot assure you that we will be able to do so and, even if we do so, there can be no assurance that our common stock will continue to be quoted on the OTC Markets or quoted or listed on any other market or exchange, or that an active trading market for our common stock will develop or continue. See "*Risk Factors—There is currently no market for our common stock and there can be no assurance that any market will ever develop. You may therefore be unable to re-sell shares of our common stock at times and prices that you believe are appropriate*."

Compass Therapeutics Incentive Units

Pursuant to the Merger Agreement and upon the closing of the Merger, each incentive unit of Compass Therapeutics outstanding immediately prior to the Merger Effective Time was automatically exchanged and converted into the right to receive on the Merger Effective Time an incentive equity award of restricted stock under the 2020 Plan (defined below) (such award, the "Replacement Incentive Award") which have (x) the same vesting schedule as the incentive unit, including credit for any portion which had previously vested, and (y) an equivalent economic value as such incentive unit. All Replacement Incentive Awards are subject to the terms and conditions specific in the award agreement with respect thereto and the 2020 Plan.

Our 2020 Equity Incentive Plan

Pursuant to the Merger Agreement, we adopted the 2020 Stock Option and Incentive Plan, or the 2020 Plan, which provides for the issuance of incentive awards of up to 2,930,836 shares of our common stock to officers, employees, consultants and directors. Any shares of our common stock subject to awards made under the 2020 Plan that expire or otherwise terminate without having been exercised or issued in full, are tendered to or withheld by us for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by us due to failure to vest will be returned to the number of shares available for future awards under the 2020 Plan. The 2020 Plan also provides that the number of shares reserved for issuance thereunder will be increased annually on the first day of each year beginning in 2021 by the lesser of (i) 4% of the shares of our common stock outstanding on the last day of the immediately preceding year or (ii) such number of shares as determined by the administrator of the 2020 Plan no later than the last day of the immediately preceding fiscal year.

Departure and Appointment of Directors and Officers

As of the Merger Effective Time, Mark Tompkins and Ian Jacobs resigned from our board of directors, and Thomas J. Schuetz, Phil Ferneau, Carl L. Gordon, Steven Squinto and Julie Sunderland were appointed to our board of directors. As a result of the appointments, our board of directors currently consists of five members.

Also, as of the Merger Effective Time, Ian Jacobs resigned from all officer positions with us, and Thomas J. Schuetz was appointed as our Chief Executive Officer and President and Vered Bisker-Leib was appointed as our Chief Operating Officer .

See "*Directors, Executive Officers, Promoters and Control Persons*" below for information about our new directors and executive officers.

Pro Forma Ownership

Immediately after giving effect to the Merger and the issuance of the shares of our common stock in the Merger, the Stock Forfeiture and the initial closing of the Offering, there were 52,151,798 shares of our common stock issued and outstanding as of the Closing Date, as follows:

- the holders of common membership interests of Compass Therapeutics (including common membership interests issued upon the conversion of preferred membership interests) prior to the Merger hold 39,055,356 shares of our common stock, excluding any shares purchased by them in the Offering and after adjustments due to rounding for fractional shares;

- investors in the initial closing of the Offering hold 12,096,442 shares of our common stock, excluding any shares issued to them in connection with the Merger as a result of being a holder of common and preferred membership interests of Compass Therapeutics prior to the Merger; and

- 1,000,000 shares are held by persons who purchased or received such shares for services rendered for Olivia Ventures, Inc. prior to the Merger.

In addition, as of the Closing Date, there were 2,930,836 shares of our common stock reserved for issuance under the 2020 Plan, subject to adjustment as provided above.

No other securities convertible into or exercisable or exchangeable for our common stock are outstanding as of the date of this Report.

Accounting Treatment; Change of Control

The Merger is being accounted for as a “reverse merger” or “reverse acquisition”, and Compass Therapeutics is deemed to be the acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations that will be reflected in our financial statements relating to periods prior to the Merger will be those of Compass Therapeutics, and will be recorded at the historical cost basis of Compass Therapeutics, and the consolidated financial statements after completion of the Merger will include the assets and liabilities of Compass Therapeutics, historical operations of Compass Therapeutics, and operations of Olivia Ventures, Inc., from the Closing Date. As a result of the issuance of the shares of our common stock pursuant to the Merger, a change in control of Olivia Ventures, Inc. is deemed to have occurred as of the date of consummation of the Merger.

Except as described in this Report, no arrangements or understandings exist among present or former controlling stockholders with respect to the election of members of our board of directors and, to our knowledge, no other arrangements exist that might result in a change of control of Olivia Ventures, Inc.

We expect to continue to be a “smaller reporting company”, as defined under the Exchange Act, and an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, immediately following the Merger. We believe that as a result of the Merger, we have ceased to be a “shell company” (as such term is defined in Rule 12b-2 under the Exchange Act).

DESCRIPTION OF BUSINESS

Overview

We are a clinical-stage biopharmaceutical company developing proprietary antibody therapeutics intended to engage the immune system to treat both solid tumors and hematological malignancies. Our immuno-oncology product candidates include a clinical-stage monoclonal antibody and a portfolio of bispecific antibodies. These product candidates are designed to address three critical components required for an effective immune response to cancer: induction of a potent innate immune response; activation of the adaptive immune system; and alleviation of immunosuppressive mechanisms used by tumors to evade immune surveillance and activation. We plan to rapidly advance our product candidates through clinical development either as standalone therapies or in combination with existing therapies as supported by clinical and nonclinical data.

Our lead product candidate, CTX-471, is a monoclonal antibody agonist of CD137, a key co-stimulatory receptor on immune cells. In preclinical studies, we observed that CTX-471 led to complete eradication of large tumors in mice when dosed as a monotherapy. In treated mice, dosing with CTX-471 was associated with extensive reprogramming of the tumor microenvironment, resulting in increased survival and long-term immune protection. Long after therapy had been completed, after more than eight half-lives of the antibody, treated mice exhibited immune memory that prevented reestablishment of the same tumor. Based on these and other preclinical results, in July 2019 we initiated a Phase 1 dose-escalating trial evaluating CTX-471 as a monotherapy in oncology patients who were previously treated with PD-1 or PD-L1 immune checkpoint inhibitors and subsequently relapsed or progressed after a period of stable disease. The design of this trial includes a dose escalation period, which is currently ongoing, to be followed by a dose expansion cohort. We expect to report topline data from the dose escalation stage of the Phase 1 trial in July 2020 and to initiate a dose expansion stage shortly thereafter.

If our Phase 1 of CTX-471 as monotherapy is successful, we plan to initiate a second Phase 1 trial of CTX-471 in combination with trastuzumab, marketed as Herceptin® by Genentech, in selected human epidermal growth factor receptor 2, or Her2 positive tumors and with cetuximab, marketed as Erbitux® by Eli Lilly, in epidermal growth factor receptor, or EGFR positive tumors.

In addition to CTX-471, we are also developing a portfolio of bispecific antibody product candidates, which are currently in preclinical development. These programs all derive from our robust, in-house antibody discovery and development platforms.

Our approach is based on the observation that traditional methods of antibody discovery are slow, inefficient, and are limited by lack of diversity of antigenic sites, or epitopes, that are recognized using these methods. We believe these limitations impair drug developers' ability to identify the best product candidates. We have created several technological solutions that are designed to address the key challenges in antibody development with the goal of incorporating our solutions into bispecific product candidates. First, we developed and acquired several complementary platforms that enable us to generate antibodies with a high level of epitope diversity and excellent physical and biochemical properties. Second, we have developed sophisticated technologies to screen our antibody sets in functional biological assays designed to prioritize antibodies with desirable biological activities. Third, we have developed proprietary technology StitchMabs^{TM} that allow us to rapidly evaluate the potential of the antibodies we discover in a bispecific antibody format.

We have also developed a proprietary transgenic mouse that produces antibodies with the differentiated property that they all share a human common light chain. We imposed this restriction at the earliest stage of our bispecific antibody discovery process in anticipation of the need to simplify the manufacturing of our bispecific product candidates. Sharing a common light chain enables our bispecific antibodies to be manufactured using a well-established process that has been successfully used by the biopharmaceutical industry to produce monoclonal antibodies at commercial scale, thereby avoiding the complexities associated with the manufacture of bispecific products that lack this property. We found that imposing this restriction on the construction of the antibody pool did not hinder our ability to obtain highly potent and selective antibodies.

Our second product candidate, CTX-8371, is a bispecific antibody that simultaneously targets both PD-1 and PD-L1, the targets of well-known and widely used checkpoint inhibitor antibodies. Single inhibitors of PD-1 and PD-L1 include some of the highest-revenue-generating therapeutics in history and have been approved for the treatment of a wide range of tumors. There is no marketed therapy that combines inhibition of both PD-1 and PD-L1 in the same molecule and, in CTX-8371, we are working on developing one. We discovered CTX-8371 using our StitchMabs™ technology when we screened for the best antibody to pair with our proprietary PD-1 blocker. Additional studies demonstrated that CTX-8371 works via a novel mechanism of action not shared by PD-1 or PD-L1 blockers. We have shown in animal models that CTX-8371 is more potent than a PD-1 inhibitor, a PD-L1 inhibitor or a combination of the two. We plan to begin IND-enabling studies with CTX-8371 in the third quarter of 2020.

We have also leveraged our proprietary platform technologies to identify and evaluate a novel class of bispecific product candidates that serve as antigen-specific innate cell engagers. These product candidates contain an antibody binding domain that functions as an agonist of NKp30, an activating receptor expressed on natural killer, or NK cells and on gamma delta T-cells or γδ T-cells. We have shown that pairing the NKp30 binding domain together with antibodies that target tumor-antigen binding domains led to the generation of bispecific product candidates that can selectively stimulate NK cells to kill corresponding tumor cells. We are generating *in vivo* data on a number of NKp30 bispecific product candidates so that we can prioritize and advance the most promising of these candidates into clinical development.

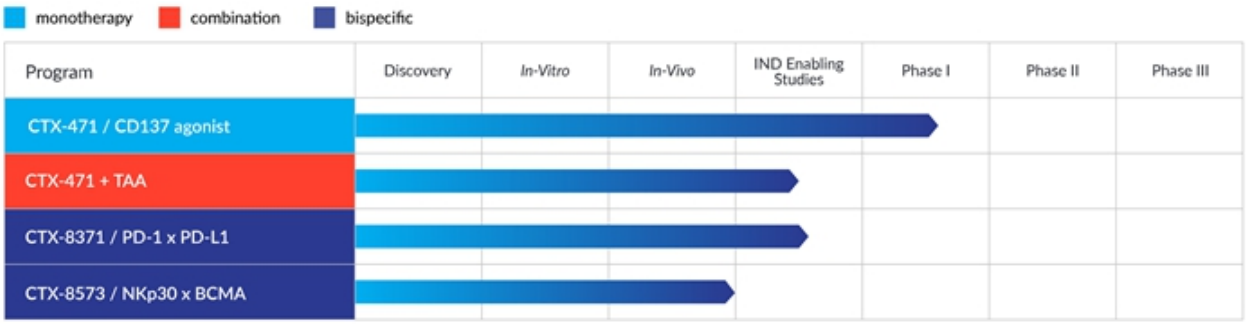
CTX-8573 is our first bispecific product candidate in this novel NKp30 innate cell engager class. CTX-8573 is designed to activate NK cells, and direct them against cells expressing B cell maturation antigen, or BCMA, an antigen that is significantly over-expressed in multiple myeloma and on antibody producing plasma cells. CTX-8573 has exhibited potent cytotoxic activity on cells expressing high, intermediate and low levels of BCMA, in contrast to other cell engagers that demonstrate limited activity against cells expressing low antigen levels. The ability of CTX-8573 to induce selective and potent cell killing of cells expressing low BCMA levels suggests that CTX-8573 can be used to selectively deplete antibody-producing plasma cells, and could therefore represent a novel treatment for severe autoimmune diseases mediated by pathogenic antibodies such as myasthenia gravis, immune thrombocytopenia and pemphigus vulgaris. We plan to begin IND-enabling studies with CTX-8573 in the first half of 2021.

Our management team has a successful record of building and growing biotechnology companies. Our Chief Executive Officer and co-founder, Thomas J. Schuetz, M.D., Ph.D. has over 20 years of experience in oncology, biopharmaceutical drug development and life science venture investing. Prior to co-founding Compass Therapeutics, Dr. Schuetz was a venture partner with Orbimed Advisors where he participated in Orbimed's investments in Enobia Pharma (sold to Alexion), Relypsa (sold to Galenica), Arteaus Therapeutics (sold to Eli Lilly), and Audentes (sold to Astellas) and served on the board of each of these companies. Dr. Schuetz was also the chief medical officer of Therion Biologic Corporation and was vice president of clinical affairs at Transkaryotic Therapies, a company acquired by Shire.

Our Chief Operating Officer, Vered Bisker-Leib, Ph.D., MBA, has over 18 years of experience in strategy, business development, finance and operations of biotechnology and pharmaceutical companies. Prior to joining Compass Therapeutics, she served as an entrepreneur-in-residence with Atlas Venture. Previously, Dr. Bisker-Leib was chief business officer of Cydan, a biotech accelerator, where she co-founded IMARA, Inc. (NASDAQ: IMRA) and other biotech companies focused on therapies addressing rare diseases and served as an executive director and global head of business development for the cardiovascular and metabolic franchises of Bristol-Myers Squibb.

Our syndicate of investors is led by OrbiMed, F-Prime Capital, Cowen Healthcare Investments, Biomatics Capital, Borealis Ventures, Peter Thiel, Biomed Ventures and Alexandria Venture Investments, LLC.

Pipeline



Strategy

Our goal is to expand and extend the role of the immune system in fighting cancer with antibody-based therapies. We believe our approach can be applied both to solid tumors as well as to hematologic malignancies. Our strategy to achieve this goal includes:

- **Advance our lead product candidate, CTX-471, rapidly through clinical development to evaluate its therapeutic potential alone and in combination with other therapies.** We seek to translate the robust activity of CTX-471 observed in preclinical testing into meaningful clinical efficacy in patients with immunogenic tumors, such as non-small cell lung cancer, or NSCLC and melanoma. Our ongoing Phase 1 clinical trial is being conducted in patients who relapse after prior checkpoint therapies.

- **Advance CTX-8371 into clinical development as a next generation checkpoint inhibitor.** Our bispecific inhibitor that targets PD-1 and PD-L1 has demonstrated higher antitumor potency in preclinical experiments than single PD-1, a PD-L1, or combinations of PD-1 and PD-L1 inhibitors. We plan to initiate IND-enabling studies with CTX-8371 in the third quarter of 2020 with the goal of commencing clinical testing in 2021.

- **Advance CTX-8573 into clinical development in antibody-mediated autoimmune diseases**. CTX-8573 is a product candidate that stimulates cell killing by directly activating NK cells to selectively destroy BCMA-expressing cells. We plan to begin IND-enabling studies with CTX-8573 in the first half of 2021 and advance it to clinical development as a therapy for antibody-mediated autoimmune diseases such as myasthenia gravis, immune thrombocytopenia and pemphigus vulgaris.

- **Expand the potential of our NKp30 innate cell engagers**. Through our innate cell-engager bispecific platform, we are generating a broad portfolio of bispecific product candidates that pair various tumor antigen binding domains to our NKp30 binding domain. We believe that the ability to activate NK cells in a selective and directed way against various cancers will allow us to identify bispecifics with differentiated cytotoxic activity. We are currently screening several innate cell engagers in animal models to prioritize those with the greatest promise for future clinical development.

- **Leverage our proprietary platforms to generate novel bispecific product candidates.** Our platform technologies, including our antibody generation process, our common light chain approach and StitchMabs^{TM}, are focused on the discovery and development of bispecific products. We continue to use these technologies to generate a broad portfolio of early-stage bispecific assets that we then evaluate in preclinical experiments with the intent of advancing the most promising candidates into clinical development.

- **Seek strategic partnerships for select product candidates**. Our technology platform is designed to generate a broad pipeline of product candidates with high potential for clinical application. We intend to assess on a case-by-case basis the opportunities for accelerating the preclinical and clinical development of these candidates in a capital-efficient manner, including selectively pursuing strategic partnerships with leading biopharmaceutical companies with domain-specific expertise in clinical development to maximize the value of our pipeline.

Our approach

We are focused exclusively on modulation of the immune system through the development of novel antibody therapeutics. Antibodies are structurally distinct Y-shaped proteins formed through the pairing of two long proteins, called heavy chains, and two short proteins, called light chains. Each heavy and light chain pair forms a binding site where the antibody specifically binds its target, which is also known as an antigen.

The immune system is capable of not only fighting foreign invaders, but also of recognizing and eliminating a human body's own cells that have become pathogenic after transformation, such as in cancer. There are two broad classes of antibodies used in cancer therapy. The majority of antibodies directly target the tumor or its surroundings. The more recent class consists of antibodies that modulate the immune system leading to immune-mediated killing of tumors. These antibody drugs mainly exert this effect via single modulation of the immune system. We believe that modulation of more than one function of the immune system simultaneously has the potential to improve the efficacy and utility of immuno-oncology therapies.

Antibodies can be generated in many ways, and multiple companies claim to possess proprietary antibody discovery platforms, each with specific advantages. Our antibody platform was designed with a broad set of capabilities and resources that we can leverage with the goal of generating a portfolio of highly distinct bispecific products.

Our approach to bispecific antibody discovery encompasses four principles:

- antibody diversity is required to generate a representative sample of possible therapies;
- functional screening is critical to identifying optimal solutions;
- a combinatorial approach enables parallel assessment of many potential bispecific antibodies; and
- decisions made at the start of the discovery process have a major impact on successful clinical and commercial-scale manufacturing.

Antibody diversity

We obtain our initial pools of antibodies from multiple internally-developed platforms, including our custom phage display library and our transgenic mouse line. We constructed our phage display library based on the peripheral B cell diversity of 70 healthy human donors. This system allows us to generate large and highly diverse sets of antibodies that are fully human; target multiple epitopes on a target of interest; and possess excellent physical and biochemical properties. We describe these antibodies as having good 'drug-like' properties. To generate additional antibody candidates, we can also immunize a proprietary line of humanized transgenic mice with antigens of interest to isolate a diverse set of fully human antibodies that share a common human light chain, but distinct native mouse heavy chains. We estimate that the pool of antibodies from these two platforms represents over 10^{10} unique sequences.

We express libraries of antibodies against any particular target using our Human Display technology which streamlines the expression of functional antibodies such that each cell expresses only one antibody clone. We then further screen our diverse sets of antibodies expressed with our Human Display technology to fine-tune for specificity. Sequence changes can be readily introduced to further optimize leads from our screens.

Our ability to generate viable antibody candidates, with good drug-like properties and high manufacturability potential in a high-throughput manner has enabled us to rapidly assemble a portfolio of proprietary antibodies to over 40 key innate and adaptive immune targets and tumor antigens. This portfolio of antibodies is designed to provide us with a set of well-characterized antibodies that can be incorporated into our combinatorial bispecific antibody screening platform.

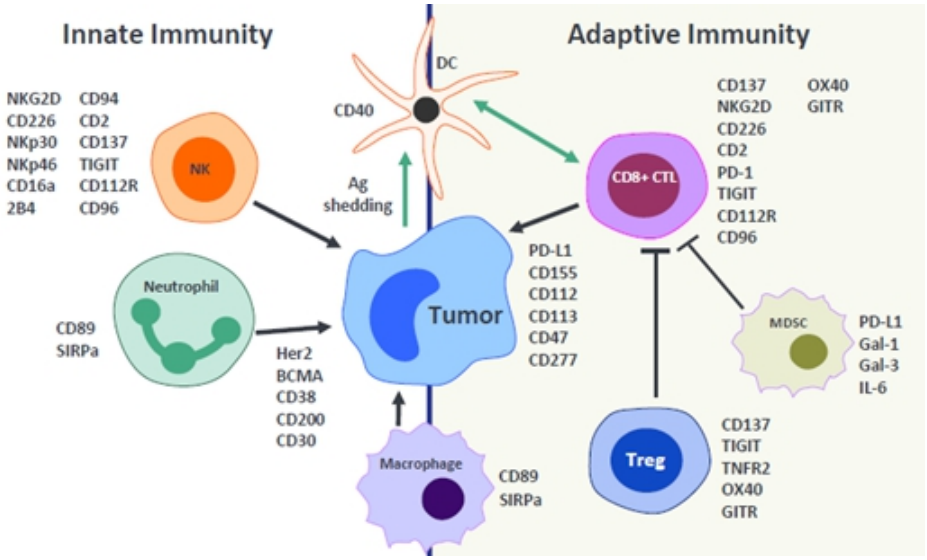


Figure 1. We have assembled a panel of proprietary antibodies against a broad panel of key immune targets

Functional screening

A critical part of our antibody discovery process is our ability to produce sufficient quantities of purified antibodies to assess their biological activities both in cells and, in some cases, animal models. Our human display technology allows us to efficiently express full-length antibodies on cell surface, thereby facilitating the high throughput screening of our antibodies across multiple functional screens. While we do assess standard biochemical parameters such as binding affinity and specificity as part of the initial screening of our candidate sets, we note that efficacy in a complex biological system cannot be predicted based on physical and biochemical parameters alone. We have shown with CTX-471, for example, that activity in a complex biological system cannot necessarily be predicted on strictly biochemical parameters.

Combinatorial approach

A natural antibody recognizes a single target antigen and is therefore monospecific. Because a natural antibody features two identical binding sites, it is considered bivalent for that target. Although natural antibodies recognize a single target antigen, it is possible to engineer antibodies so that their two binding sites bind two different targets. The construction of a bispecific antibody typically requires a significant investment in cloning, construct optimization, protein expression, and protein purification before the therapeutic potential of any particular bispecific antibody can be assessed. In practice, these requirements mean that the diversity of antigen pairs targeted by bispecific antibodies is limited, and development is oftentimes prioritized for antigen pairs suggested by existing scientific literature.

Our proprietary StitchMabs^{TM} technology is a novel screening approach which we developed to assess the potential of any pair of antigen-binding sites in a bispecific antibody format. This combinatorial antibody-linking technology stably and irreversibly attaches a second pair of antigen-binding domains to a standard antibody during a 15-minute incubation at room temperature. The resulting stitched antibody acts structurally and functionally like a bispecific antibody.

StitchMabs^{TM} allows us to assess our large library of antigen-binding domains in combinatorial fashion. Once we have generated and purified large numbers of bispecific candidates, we then assess the potential of these candidates in functional assays and determine whether these bispecifics have additive, reductive or synergistic activity. Screening of these bispecific molecules in functional assays has led us to discover novel product candidates with unexpected synergistic efficacy in cellular and animal model, including CTX-8371 and CTX-8573.

Our common light chain platform greatly simplifies manufacturing

The embedded common light chain feature in our antibodies greatly simplifies the manufacture of our bispecific product candidates. Most antigen-binding domains of antibodies are composed of a heavy chain and a light chain that have been optimized together to recognize a specific antigen. If these two chains are expressed independently, as is the case with most antibody manufacturing processes, they are often reassembled in various ways, leading to heterogenous mixture of the desired product along with peptide segments corresponding to two heavy chains and two light chains. Separation of the desired product from the mixture is a technically challenging and expensive process.

We address this challenge by including only common light chain compatible antibodies as part of our antibody discovery process for potential incorporation into bispecifics. The variability in the antigen-binding domain of our antibodies in the heavy chain is sufficient to generate a diverse, potent, selective, and functionally active set of antibodies. We further simplified the manufacturing of our bispecific antibodies by assembling a single heavy chain construct that encodes both antigen-binding domains. As a result, the manufacturing of our bispecifics closely resembles that of standard monoclonal antibodies, which include – one heavy chain and one light chain. Our focus on common light chain antibodies simplifies the process of converting our StitchMabs^{TM} screening candidate bispecifics into bispecific antibody product candidates.

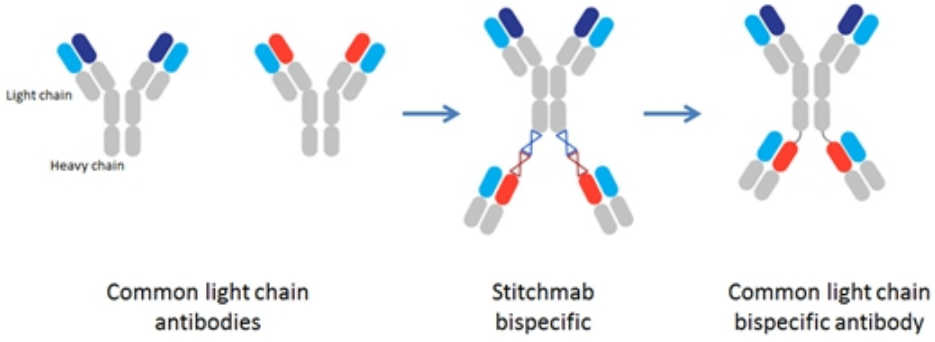


Figure 2. A common light chain simplifies the production of bispecific antibodies

CTX-471, a monoclonal antibody targeting CD137

CTX-471, our monoclonal antibody product candidate, is an agonist of CD137, a key co-stimulatory receptor on immune cells. Binding of CTX-471 to CD137 leads to ligand-stimulated activation of T-cells and NK cells. In tumor models, treatment with CTX-471 as a monotherapy led to recruitment and activation of immune cells in the tumor microenvironment. In the treated mice, dosing with CTX-471 led to extensive reprogramming of the tumor microenvironment, including increased recruitment of immune cells, reversion of exhausted cytotoxic CD8+ T-cells, reductions in immunosuppressive regulatory T-cells, and reductions in immunosuppressive tumor-associated macrophages. Long after the completion of the treatment with CTX-471, a period described as eight half-lives of the antibody, treated mice exhibited immune memory that prevented reestablishment of the same tumor.

In July 2019 we initiated a Phase 1 trial evaluating CTX-471 as a monotherapy in cancer patients who were previously treated with a PD-1 or PD-L1 immune checkpoint inhibitor and subsequently relapsed or progressed after a prior response or stable disease. The design of this trial includes a dose escalation period, which is currently ongoing, to be followed by a dose expansion cohort. We expect to report topline data from the dose escalation stage of the Phase 1 clinical trial in July 2020 and to initiate the dose expansion stage shortly thereafter.

Overview of non-small cell lung cancer

An estimated 1.8 million people die of lung cancer each year, making lung cancer the leading cause of cancer-related death. Lung cancer accounts for approximately 18% of all cancer deaths globally. There are an estimated 228,000 newly diagnosed cases of lung cancer and 143,000 deaths in the United States annually. Non-small cell lung cancer, or NSCLC, accounts for approximately 80% - 85% of lung cancer cases. The treatment paradigm for NSCLC has significantly changed over the past few years. Previously patients were primarily treated with radiation therapy or combinations of cytotoxic drugs. Recent advancements have led to the development of targeted therapies based on blockade of alteration in mutated genes, such as the epidermal growth factor receptor, or EGFR, anaplastic lymphoma kinase gene, or ALK, ROS1 or BRAF. Up to two thirds of advanced or metastatic NSCLC patients who are ineligible for or resistant to treatment with targeted therapies have tumors that express PD-L1 and are candidates for checkpoint inhibitor therapies, which lead to significant improvements in progression free survival and overall survival compared to standard chemotherapy. Despite the availability of these therapies, the prognosis in NSCLC remains poor, with an overall five-year survival for all patients diagnosed with NSCLC of 19%. In the KEYNOTE-042 trial in treatment naïve metastatic NSCLC patients, conducted by Merck from Dec 2014 to March 2017, treatment with pembrolizumab as monotherapy led to partial responses in 27% of patients and complete responses in 0.5%. The duration of response in the majority of the patients was less than one year. We believe there remains significant unmet medical need in this patient population that could be addressed with novel antibody therapeutics.

Role of CD137 in immunology

CD137, also known as 4-1BB and TNFRSF9, is an inducible co-stimulatory receptor expressed on T-cells and NK cells. Activation of CD137 triggers a signaling cascade that results in upregulation of antiapoptotic molecules, cytokine secretion and enhanced cell killing function. On NK cells, CD137 signaling can increase antibody-dependent cell-mediated cytotoxicity, or ADCC.

When antigen-presenting cells, such as dendritic cells, express CD137L or 4-1BBL, the natural ligand for CD137, they induce increases in the levels of CD137 on T-cells. Tumors with a high tumor mutation burden are enriched in these antigen-presenting cells and such tumors represent promising opportunities to improve on standard of care checkpoint inhibitors by adding antibody therapies directed against CD137.

Historically, across preclinical cancer models, agonist antibodies targeting CD137 have been immunotherapeutic agents that showed great promise. In the clinic, however, these agents have been hampered, in part by dose-limiting toxicities, as seen with urelumab, and, in part by weak agonist activity, as seen with utomilumab .

Our solution, CTX-471

CTX-471 is a fully human, IgG4 monoclonal antibody that is an agonist of the CD137 receptor. We selected CTX-471 from among a panel of CD137 antibodies based on multiple preclinical parameters. The CD137 antigenic site recognized by CTX-471 does not block the binding of CD137 ligand and is differentiated from the site recognized by CD137 antibodies from competitors. We designed and made the antibody using different backbones and chose to use a human IgG4 backbone for CTX-471 to enable engagement of Fc receptors $Fc_{\gamma}RI$ and $Fc_{\gamma}RIIb$ to facilitate CD137 cross-linking while avoiding binding to $FC_{\gamma}RIIIa$ and depletion of immune effector cells through ADCC.

Identification through functional screening

We evaluated a panel of anti-CD137 antibodies as potential candidates for CTX-471 and used a series of *in vitro* and *in vivo* functional assays to screen for the best candidate. One of the most stringent assays was antitumor activity in a CT26 mouse colon carcinoma model in which tumors were allowed to grow to 500 mm^3 before CTX-471 candidates were administered. Tumors of this size are generally considered futile to treat and are highly resistant to monotherapy with other immuno-oncology therapies such as checkpoint inhibitors.

Figure 3. Preclinical antitumor activity evaluation of CTX-471 was conducted in mice with 500 mm^3 CT26 tumors

We observed that multiple CTX-471 candidates exhibited activity treatments in this model, leading to the complete eradication of these large tumors when dosed as monotherapy. Certain antibody candidates exhibited greater activity than others and there was not a strict correlation between potency for the CD137 antigen and antitumor activity. We selected the antibody candidate that became CTX-471 based on a combination of *in vivo* and *in vitro* properties. We also tested antibodies that target PD-1, PD-L1, CTLA-4 and OX-40 in the CT26 model alongside CTX-471 and observed that these antibodies failed to generate similar responses in this model.

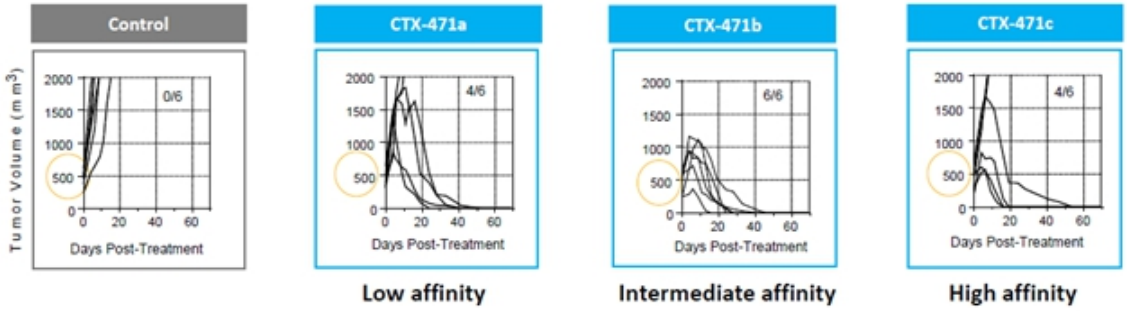


Figure 4. CTX-471a, CTX-471b and CTX-471c are three CD137 agonistic antibodies with low, intermediate and high affinity to CD137 respectively. Four groups of CT-26 syngeneic mice models were dosed with control antibody, CTX-471a, CTX-471b and CTX-471c. Treatment initiated when tumors reached 500 mm3 . CTX-471b was the most effective treatment, erradicating tumors in 6/6 mice, followed by CTX-471a and CTX-471c, which erradicated tumors in 4/6 mice each, and none in the control group.

Immunoregulatory role

Treatment of mice with CTX-471 stimulated long-term immunological memory. In order to assess the long-term immunological memory, we tested tens of mice cured of their initial tumors by CTX-471 monotherapy to a re-challenge with the same tumor. Upon a re-challenge, these mice have all demonstrated resistance to establishment of new tumors. To investigate whether this observed effect may be explained by residual CTX-471, we have conducted some of these re-challenge experiments 88 days after dosing, or greater than eight half-lives of CTX-471. We believe that, in mice previously cured of CT-26 tumors by CTX-471, the inability to establish CT-26 tumors is consistent with the ability of CTX-471 to induce long-term immune memory capable of rejecting the reintroduced tumor cells.

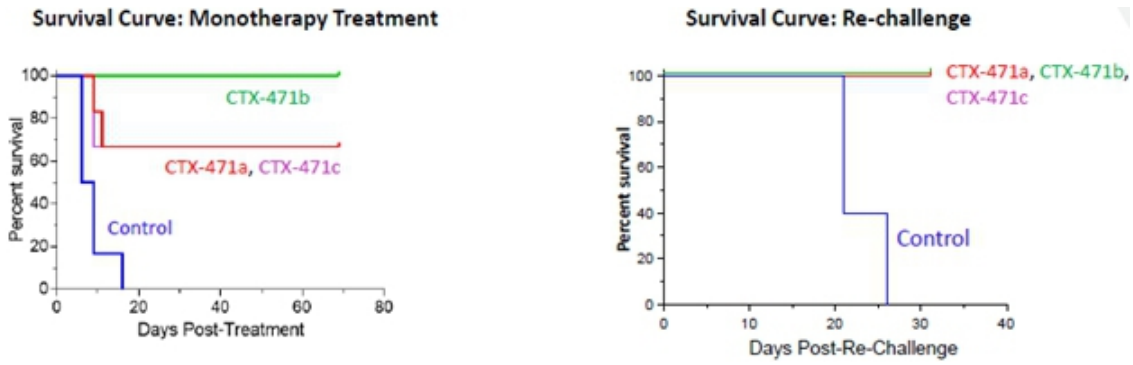


Figure 5. All mice cured by CTX-471 treatment have been resistant to re-challenge with the same tumor

Immune cell depletion experiments showed that the activity of CTX-471 required the presence of CD4+ T-cells, CD8+ T-cells, and NK cells, indicating a coordinated involvement of both innate and adaptive immune cells. Encouragingly, treatment of tumors in mice with CTX-471 led to a marked reprogramming of the immune component of the tumor microenvironment. CTX-471-treated mice had over three times more tumor infiltrating immune cells than control mice. Of the CD8+ T-cells in these tumors, there was a reduction of exhausted T-cells, determined by the reduction of CD8+ T-cells that express both PD-1 and TIGIT, from 43% to 8%. Similarly, treatment with CTX-471 led to a sharp decline in immunosuppressive regulatory T-cells, or Tregs, from 31% to 7%. We also observed that tumors treated with CTX-471 had an approximate two-fold reduction in the number of immunosuppressive tumor-associated macrophages.

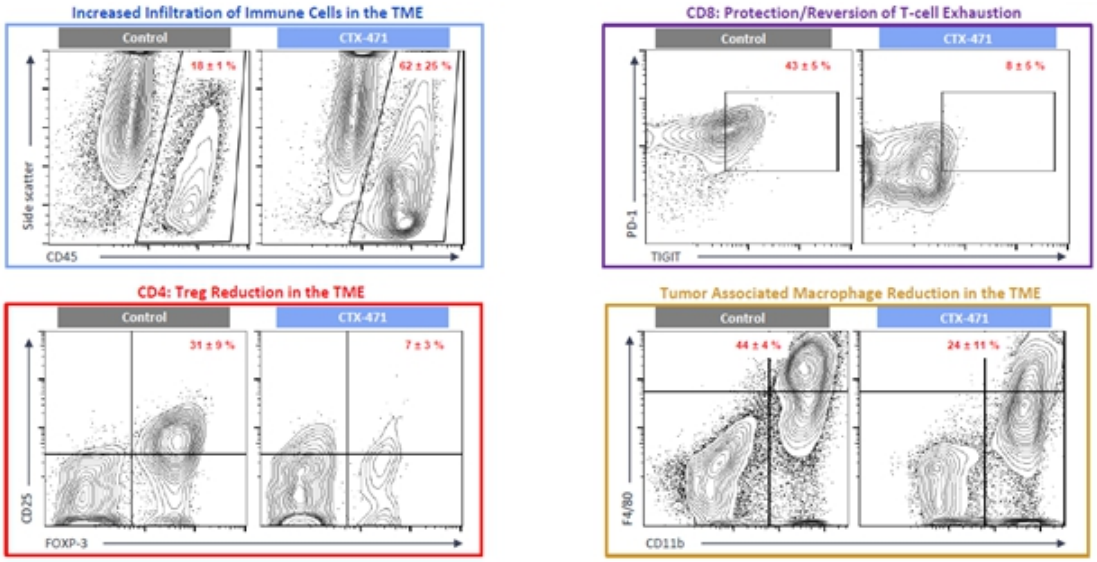


Figure 6. CTX-471 altered the immune composition in the tumor microenvironment

We believe that the ability of CTX-471 to transform the tumor microenvironment by the combined action of immune cell recruitment, alleviation of T-cell exhaustion, suppression of Tregs, and reduction of tumor suppressing macrophages is what drives CTX-471's potent antitumor activity in mouse models. We believe that CTX-471 has the potential to affect the same aspects of the immune system in cancer patients in the clinic, which could lead to improved patient outcomes.

In addition to testing CTX-471 in the CT-26 syngeneic mouse model described above, we have also tested CTX-471 as a monotherapy in multiple other syngeneic tumor models of different histologies and have observed potent activity, including various levels of tumor eradication. CTX-471 have demonstrated activity and led to tumor eradication in the A20 model of lymphoma, the MC38 model of colon carcinoma, and in the EMT6 model of breast cancer. We believe that this broad biological activity across multiple tumor models of different histologies suggests that CTX-471 might benefit patients with different tumor types.

Combination activity

T-cell-dependent antitumor activity also led to a robust antitumor response in an adoptive transfer tumor model in mice expressing CT26 cells that were engineered to express human Her2. Her2, also known as human epidermal growth factor receptor 2 and receptor tyrosine protein kinase erbB-2, is overexpressed or amplified in certain aggressive types of breast cancer. Antibodies directed against Her2, such as trastuzumab, marketed as Herceptin® by Genentech, have been approved for the treatment of Her2 expressing breast cancer. Dosing Herceptin has modest efficacy in this model, slightly reducing the rate of tumor growth. Monotherapy with CTX-471 led to complete responses in three of eight mice. The combination of trastuzumab and CTX-471 led to the complete eradication of tumors in all eight mice and 100% survival at the termination of the experiment at day 64. Depletion of immune effector cells in this model eliminated this activity, highlighting the essential role of T-cells in driving CTX-471 antitumor response.

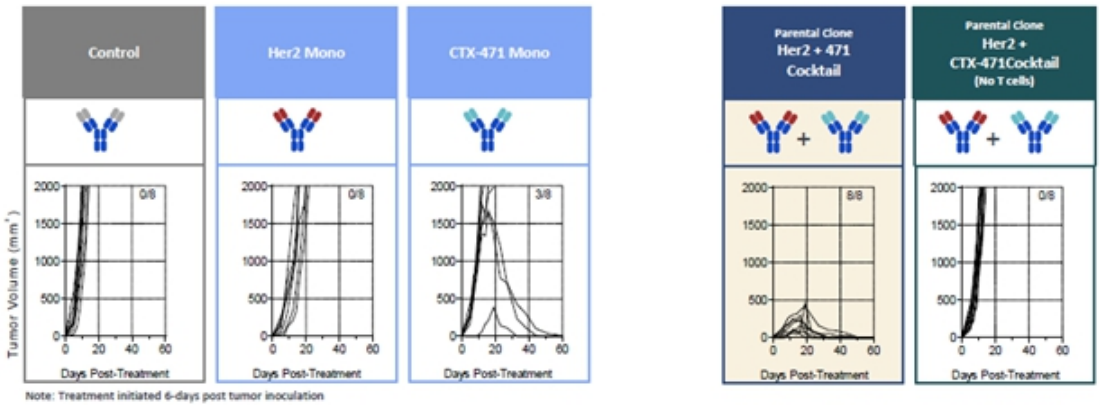


Figure 7. Treatment with a combination of CTX-471 with trastuzumab led to complete eradication of CT26 tumors expressing Her2

Phase 1 clinical trial of CTX-471

We are currently conducting a Phase 1 clinical trial of CTX-471 in adult patients who have achieved three months of stable disease or better after treatment with PD-1/PD-L1 checkpoint therapy and who have subsequently progressed. We selected this population of patients for this trial because multiple clinical trials and meta-analyses have shown that not all patients respond to checkpoint inhibitor therapy due to many possible reasons. By focusing on those that did previously respond to checkpoint inhibitor therapy, we believe that this trial design enriches for patients who have tumors that are capable of being recognized and killed by their immune systems. We believe that disease progression after the initial checkpoint inhibitor response is likely due to an increase in immunosuppressive activity that CTX-471 has the potential to overcome.

This Phase 1 trial is an open-label multiple ascending dose, dose-escalation trial. The Phase 1 trial has two parts: Part 1 is the dose escalation portion and Part 2 is the dose expansion portion of the study. After a period of 28 days to allow checkpoint inhibitors and other drugs to be eliminated from the body, each patient receives CTX-471 by intravenous infusion every two weeks as monotherapy. Disease progression is measured by CT scans every eight weeks. We collect blood samples to assess standard safety biomarkers as well as cytokines and potential pharmacodynamic biomarkers. Baseline tumor biopsies are also collected for retrospective analyses.

The primary objective of the ascending dose portion of the trial is to assess the safety and tolerability of CTX-471 monotherapy in six cohorts at various doses. Following the determination of the safety and tolerability of CTX-471 at various doses, we plan to initiate the dose expansion stage to evaluate CTX-471 in a larger cohort of patients. The goal of the dose expansion cohort is to determine an optimized dose for future Phase 2 clinical trials. Secondary endpoints include measures of overall response rate and progression-free survival, among others. We expect to report topline data from Part 1, the dose escalation stage of the Phase 1 clinical trial in July 2020 and to initiate Part 2, the dose expansion stage, shortly thereafter.

Dosing strategy

In contrast to dosing strategies for other immuno-oncology antibodies, such as checkpoint inhibitors where the goal is often to deliver a dose that is capable of fully inhibiting the receptor at all times, our dose selection for this trial is aimed at binding to only a fraction of the available CD137 receptors. Dosing of an agonist antibody, such as CTX-471, at levels capable of binding to the majority of receptors can lead to inappropriate cell activation and downregulation of the receptor and overall weaker activity.

Agonist antibodies typically trigger their activity through independent binding of each of their two antigen-binding domains to individual receptors on a cell surface. This binding to both receptors at once forces the receptors into close physical proximity. This grouping of receptors that drives receptor activation, especially when the ratio of antibody molecules to receptor molecules is relatively low. As the ratio of antibody to receptor increases, the level of receptor activation increases up to a point above which activation may decrease due to down-regulation of the receptors. This results in a bell-shaped activation curve in which maximal activation occurs at intermediate antibody concentrations.

We observed evidence of the importance of lower receptor occupancy while screening candidate antibodies against CD137. The antibodies with the greatest tumor-killing activity were the ones with intermediate potency. Very high-potency antibodies had weaker antitumor activity.

Consistent with the finding of lower activity at high antibody to receptor levels, we observed that the antitumor activity of CTX-471 appeared to peak at doses between 50 ug and 100 ug in the mouse CT26 tumor model. At the higher dose of 200 ug, the number of complete responses, four out of eight mice, was less than that observed at 100 ug, seven out of eight mice, suggesting that the optimal receptor occupancy had been exceeded. This is also consistent with our observation that intermediate affinity antibodies exhibited greater antitumor activity compared to high affinity antibodies.

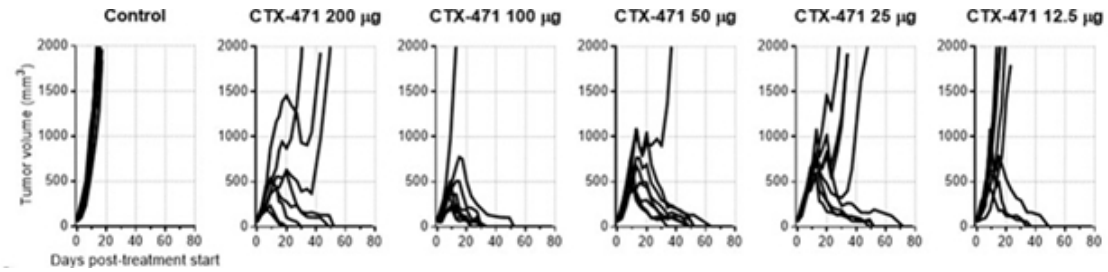


Figure 8. Antitumor activity of CTX-471 is optimized at intermediate dose and decreased at the highest dose level

Our findings are consistent with those reported for an agonist antibody against OX40, another immune target in oncology. Thus, for many agonist antibodies, it is likely that both intermediate affinities and intermediate doses will deliver optimal activity.

Phase 1 clinical trial data as of May 24, 2020

We are conducting a Phase 1 trial of CTX-471 in patients with metastatic or locally advanced solid tumors. Part 1 of this trial is a dose escalation trial to evaluate the safety and tolerability of CTX-471. Our selection of doses in this trial was informed by multispecies pharmacokinetics and by the intent to select doses capable of maintaining receptor occupancy between 20% and 80% in tumors.

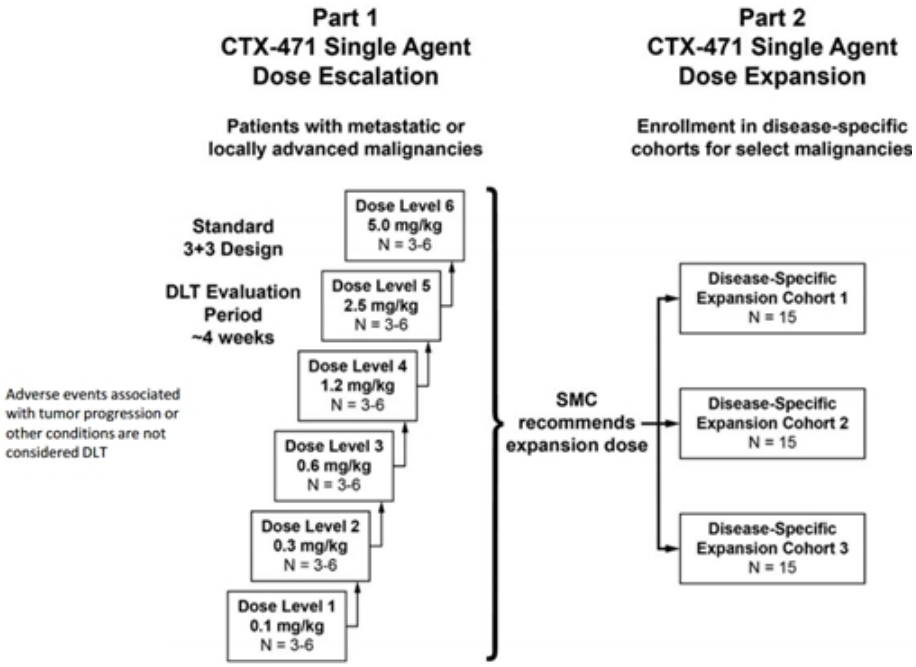


Figure 9. Design of the multiple ascending dose escalation Phase 1 trial of CTX-471

As of May 24, 2020, 19 patients have received at least one dose of CTX-471 in dosing cohorts 1 through 4. The number of patients in cohort 4 was expanded to six due to a dose-limiting toxicity.

Cohort	Cohort 1 0.1 mg/kg	Cohort 2 0.3 mg/kg	Cohort 3 0.6 mg/kg	Cohort 4 1.2 mg/kg	Total
Enrolled	3	3	6	7	19

Figure 10. The number of patients dosed with CTX-471 as of May 24th, 2020

CTX-471 has been observed to be generally well-tolerated. There have been six serious adverse events reported with two of those adverse events considered treatment-related. The treatment related serious adverse events are one hypoxia event that resolved quickly and one immune thrombocytic purpura event that also resolved. There have been two events of thrombocytopenia that were dose-limiting toxicities in Cohort 4 at 1.2 mg/Kg. Based on these results, 0.6 mg/kg was determined to be the maximum tolerated dose. We have expanded the number of patients receiving this dose to collect additional safety data.

Of the nineteen patients who have been enrolled in the study, 11 patients have reached the first tumor evaluation visit at Week 9. Six of those 11 patients had stable disease (55%). Two patients have been on CTX-471 for over 8 months, one with NSCLC and one with melanoma. The patient with melanoma has been on CTX-471 for more than 10 months and has had greater than a 24% decline in the total size of his measured metastatic tumors. Three of the four patients to reach Week 17 had stable disease, and of the 19 patients enrolled in the study, 8 patients are continuing to receive therapy with CTX-471 in the Phase 1 study.

We have preliminary pharmacokinetic data from the study and these data have confirmed our receptor occupancy modeling. Based on this modeling and the correlation of the observed pharmacokinetics with our predictions, we estimate that a dose of 0.3 mg/kg would lead to a peak receptor occupancy of approximately 50% and a dose of 0.6 mg/kg would lead to a peak receptor occupancy of approximately 70%.

In the second half of 2020 we plan to enroll patients in Part 2, the dose expansion stage of this Phase 1 trial. The dose expansion stage will inform the Phase 2 recommended dose.

If our Phase 1 of CTX-471 as monotherapy is successful, we also plan to initiate a second Phase 1 trial of CTX-471 in combination with trastuzumab, marketed as Herceptin® by Genentech, in Her2 positive tumors, and with cetuximab, marketed as Erbitux® by Eli Lilly, in EGFR positive tumors.

Potential market opportunity for CTX-471

In preclinical studies, CTX-471 was highly potent as a monotherapy in multiple syngeneic tumor models, including colon carcinoma, lymphoma, and breast cancer. This broad biological activity suggests that CTX-471 may have benefit as a therapy for patients with different tumor types.

We seek to maximize the potential value of each of our product candidates, if any, across all indications in which it may demonstrate safety and efficacy and receives marketing approval. While we have not selected a specific target indication for CTX-471, as an example for the potential size of the market opportunity for CTX-471 in one of those potential target indications, we have modeled the positioning of CTX-471 as a second line therapy for advanced/metastatic NSCLC.

In the United States, there are 282,000 lung cancer patients each year, of those 80-85% have NSCLC. Patients with stage 0-2 NSCLC are treated with surgery or a combination of surgery and chemotherapy, which are generally effective. However, some patients will progress to the later stages of the disease, and other patients already have locally advanced or metastatic disease at the time of diagnosis. These are approximately 90,000 patients with advanced/ metastatic NSCLC per year who are in great need of pharmacological treatment.

In the 1st line setting, the majority of the advanced/metastatic NSCLC patients without defined point mutations are treated by either PD-1 blocker alone or PD-1 blocker combination with chemotherapy, depending on PD-1 expression levels. Patients who do not respond to the 1st line settings have very limited therapeutic options, mostly comprising chemotherapy combinations, with or without checkpoint blockers. We estimate that there are approximately 36,000 patients in this category who will progress after 1st line treatment to 2nd line setting as seen in the schema below.

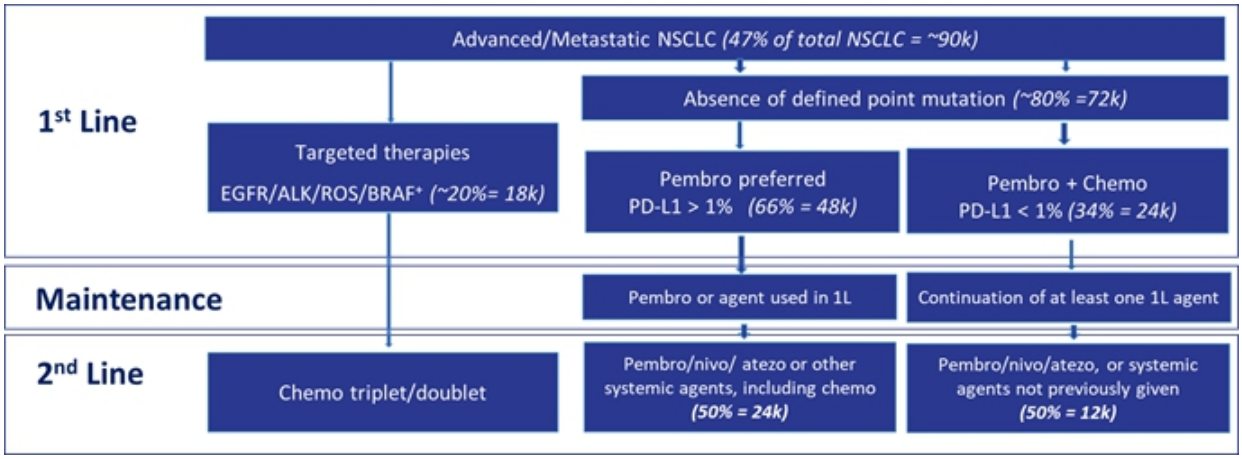


Figure 10. Estimate of the number of treatment-eligible advanced/metastatic NSCLC patients based on NCCN guidelines and other Compass analysis.

CTX-8371, a PD-1 x PD-L1 bispecific antibody

CTX-8371 is a bispecific antibody that binds to both PD-1 and PD-L1. CTX-8371 outperforms PD-1, PD-L1, and combinations of the two to activate T-cells in *in vitro* assays. In mouse xenografts, treatment with CTX-8371 led to significantly greater tumor growth control and longer survival than the combination of a PD-1 and PD-L1 inhibitor. We expect to initiate IND-enabling studies on CTX-8371 in the third quarter of 2020.

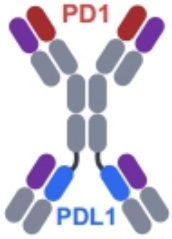


Figure 11. CTX-8371 is a PD-1 x PD-L1 bispecific antibody

Overview of PD-1 and PD-L1 checkpoint inhibitors

PD-L1 is a surface protein that is overexpressed by over 35% of certain types of cancer, such as melanoma, hepatocellular carcinoma, colorectal cancer, and NSCLC. Binding of PD-L1 to its receptor, PD-1, on immune T-cells leads to suppression of cytotoxic CD8+ T-cells preventing immune attack of the tumor. Multiple inhibitors of PD-1 and PD-L1 have been approved as therapies for a broad range of tumors including: melanoma, NSCLC, small cell lung cancer, or SCLC, head and neck squamous cell cancer, or HNSCC, renal cell carcinoma, or RCC, bladder cancer; gastric cancer, cervical cancer; and other cancers with microsatellite instability or mismatch repair deficiency. While PD-1/PD-L1 checkpoint therapies have resulted in remarkable clinical efficacy across multiple cancer types, their efficacy, even in tumors with high immunogenicity, is limited to approximately 20% of patients. Nevertheless, sales of checkpoint therapies in 2019 were estimated to be total $22 billion. There is no marketed therapy that combines inhibition of both PD-1 and PD-L1 in the same molecule.

Discovery and preclinical activity of CTX-8371

The desire to improve the efficacy of PD-1/PD-L1 inhibitors has sparked multiple attempts to create bispecific antibodies in which one antigen binding site targets PD-1 or PD-L1 and the other targets immuno-oncology receptors such as LAG-3 or TIM-3. In contrast to those bispecific efforts described by others that have focused on a single pair of antigen-binding domains at a time, we have applied our StitchMabs^{TM} technology to broadly screen for pairs of bispecific antigen-binding domains with the highest potential to generate antitumor activity. Our efforts were enabled not only by the StitchMabs^{TM} technology, but also by our investment in generating a broad portfolio of potent and selective antibodies to 40 potential immune targets across the innate and adaptive immune system.

We designed our combinatorial screen such that one antigen-binding domain was directed against PD-1, and the other selected from our library of candidate antibodies. We screened these StitchMabs^{TM} bispecific constructs in T-cell activation assays in the presence of PD-L1 expressing cells. Our unbiased screening led us to an antibody that pairs a PD-1 binding domain and a PD-L1 binding domain. This novel bispecific antibody contributed to T-cell activation that outperformed the activation observed in response to treatment with PD-1-only antibodies. We designated CTX-8371 as the bispecific antibody we constructed using our common light chain antibodies having a PD-1 and PD-L1 antigen binding domains.

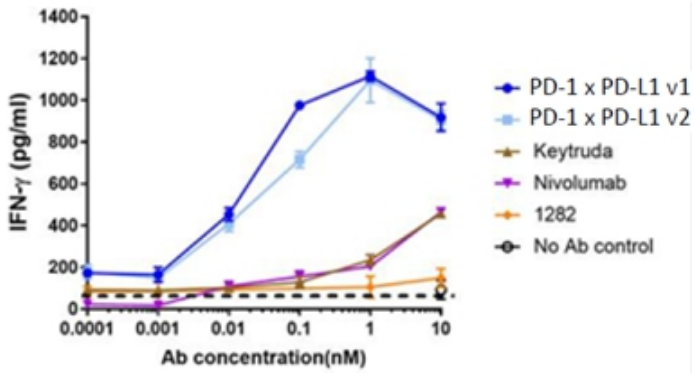


Figure 12. A PD-1 x PD-L1 bispecific antibody outperformed PD-1 antibodies in a T-cell activation assay

The observation that the combination of a PD-1 and PD-L1 antibody into a bispecific antibody would be hundreds to thousands fold more potent than in a T-cell activation assay than a PD-1 antibody alone was unexpected. A simple model would suggest that inhibiting either PD-1 or PD-L1 should have approximately equal effects in this assay and there would be no advantage to inhibiting both. Further investigation into the mechanism of CTX-8371 found that it led to T-cell activation through four mechanisms:

- preventing PD-L1 to PD-1 binding, thus relieving the immunosuppressive PD-1 signal;
- bridging the connection between the PD-L1 expressing tumor cell and the PD-1 expressing T-cell, potentially facilitating T-cell engagement;
- triggering the shedding of the extracellular domain of PD-1 receptors from the surface of T-cells resulting in a reduction in the levels of PD-1 on T-cells; and
- increasing the pool of free CD80 on tumor cells making it available to bind and activate the CD28 T-cell co-stimulatory receptor.

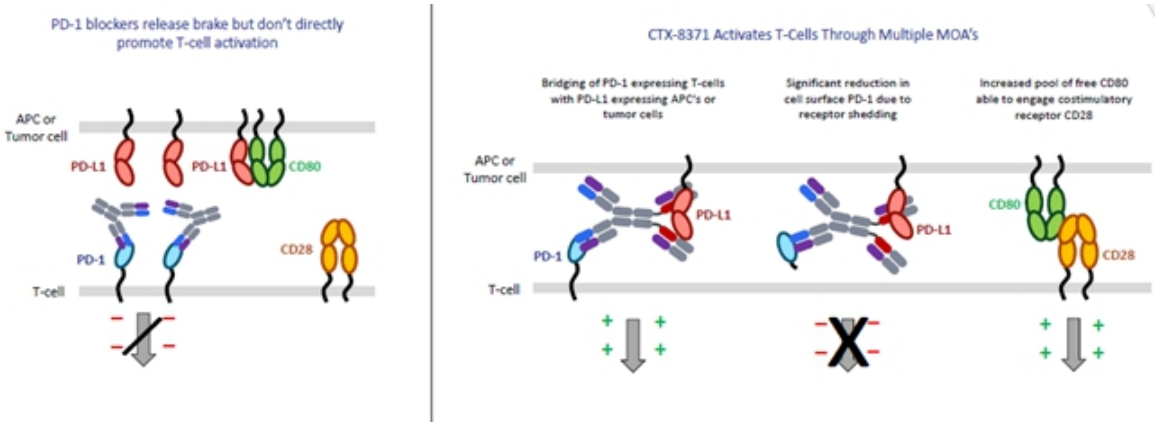


Figure 13. Differentiated mechanism of action of CTX-8371 drives enhanced T-cell activation

We also found that the superior potency of CTX-8371 in our T-cell activation assay compared to PD-1 inhibition also extended to PD-L1 inhibition. Furthermore, CTX-8371 was significantly more potent in a murine B16F10 melanoma model than was monotherapy with either a PD-1 inhibitor or a PD-L1 inhibitor or combination of both. Tumor growth in monotherapy-treated mice and in the combination PD-1 and PD-L1-treated mice was slowed to approximately half that observed with tumors in untreated mice. In contrast, tumor growth was essentially stopped by the CTX-8371 bispecific antibody. Treatment with CTX-8371 resulted in improved overall survival in this model and cured three of eight mice, such that their tumors were completely eradicated.

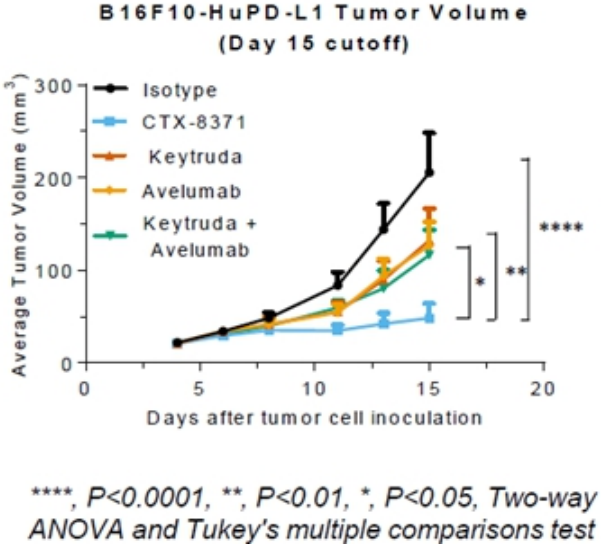


Figure 14. Tumor growth inhibition was improved when treating mice with CTX-8371 compared to treating them with monoclonal antibodies that inhibited either PD-1, PD-L1, or the combination of PD-1 and PD-L1

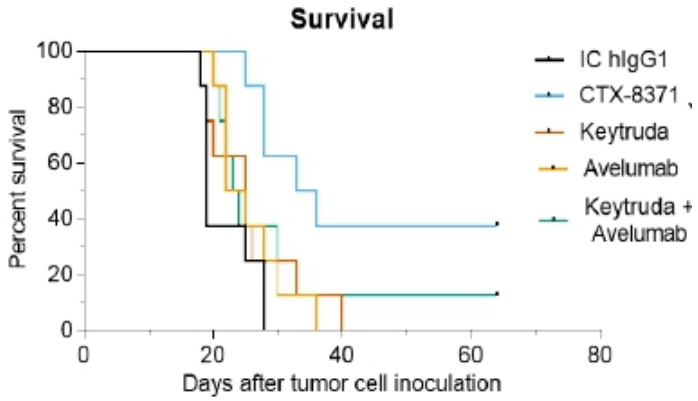


Figure 15. Dosing with CTX-8371 led to improved overall survival in a B16F10 melanoma model compared to either PD-1- or PD-L1- checkpoint inhibitors or to the combination of both

CTX-8371 also reduced tumor growth in the syngeneic MB49 bladder cancer model and in the syngeneic EMT-6 breast cancer models which are known to be non-responsive to checkpoint blocker treatments.

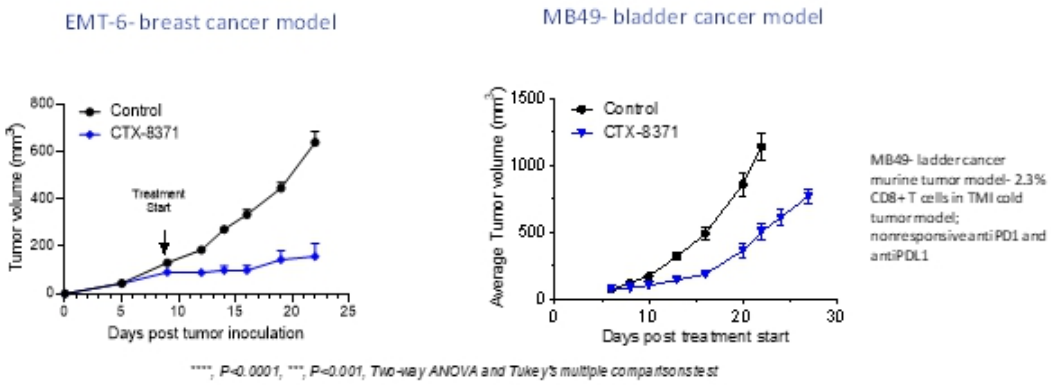


Figure 16. Dosing with CTX-8371 led to tumor growth inhibition in the syngeneic EMT-6 breast cancer model and in the syngeneic MB49 bladder cancer model

We plan to initiate IND-enabling studies with CTX-8371 in the third quarter of 2020 with the goal of initiating its clinical testing in the second half of 2021 following submission of an IND.

Our innate cell engager platform

In addition to our work developing promising inhibitors of the adaptive immune system such as CTX-8371, we have also focused on discovering bispecific activators of the innate immune system. Specifically, we hypothesized that a bispecific antibody with one antigen-binding domain that recognized a tumor antigen and another binding domain that bound to and activated NK cells would lead to highly effective NK cell-dependent killing of tumor cells.

Using our StitchMabs^{TM} technology, we generated a panel of bispecific candidates by combining a BCMA binding domain with common light chain antibodies that targeted a series of antigens expressed on NK cells. Functional screen led us to the identification of NKp30 binding domain as the anchor for an innate engager bispecific construct. NKp30, also known as natural cytotoxicity factor 3 and CD337, is a stimulatory receptor on NK cells and on a subset of T-cells called gamma delta T-cells or γδT-cells. Stimulation of NKp30 leads to activation of NK cell and γδ T-cells.

When dosing *in vivo* models with bispecifics created using this NKp30 binding domain and various tumor antigen-specific binding domains, we observed that this treatment led to potent antitumor activity. These bispecifics are able to bypass the normal mechanism of antibody-directed NK cell activation and killing by eliminating the requirement for antibodies to bind to CD16a, also known as the FcγRIIIa receptor, on NK cells, thereby, these bispecifics activate NK-cells independently of CD16a binding. This is important because it allows these cell engagers to avoid the gradual loss of activity associated with the shedding of CD16a by proteases, a resistance mechanism known to be used by tumors. By directly linking tumor cells to NK cells with or without CD16a engagement, bispecifics created using NKp30 function as antigen-specific activators of the innate immune system.

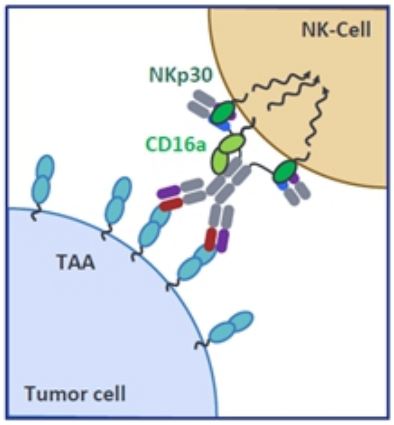


Figure 17. Proposed mechanism of NKp30 bispecific directed tumor cell killing

CTX-8573, a NKp30 x BCMA bispecific antibody

CTX-8573 is the first bispecific product candidate from our NKp30 innate cell engager platform which we have decided to advance. CTX-8573 is a bispecific antibody designed to activate NK cells and direct the killing of cells expressing BCMA. CTX-8573 functions by activating NK cells while bridging the connection between BCMA-expressing cells and NK cells, triggering cell lysis. We intend to begin IND-enabling studies of CTX-8573 in the first half of 2021.

Figure 18. CTX-8573, a BCMA + NKp30 bispecific antibody

CTX-8573 led to efficient NK cell killing of H929 multiple myeloma cells with a potency that was approximately twenty-fold better than that of a parental BCMA monoclonal antibody. We also tested the importance of CD16a-dependent binding to the potency of cell killing activity through the generation of variants of CTX-8573 with differences in glycosylation. It is known that binding of antibodies to CD16a is highly sensitive to specific glycosylation modifications on antibodies. Antibodies lacking all glycosylation, or aglycosylated antibodies, are least efficient at activating NK cells through CD16a binding. In contrast, antibodies that lack only the core fucose sugar residues, or afucosylated antibodies, are the most efficient. We observed a similar trend in potencies when these glycosylation modifications were tested with our NKp30 x BCMA bispecifics. CTX-8573, the afucosylated bispecific, had the highest cell killing potency. These results suggest that although CD16a binding is not essential for these bispecifics to activate NK cell-dependent cell killing, binding to CD16a can enhance it. Similar patterns in cell killing potency were observed with other BCMA-expressing tumor cells while neither CTX-8573 nor a BCMA monoclonal antibody led to killing of cells not expressing BCMA.

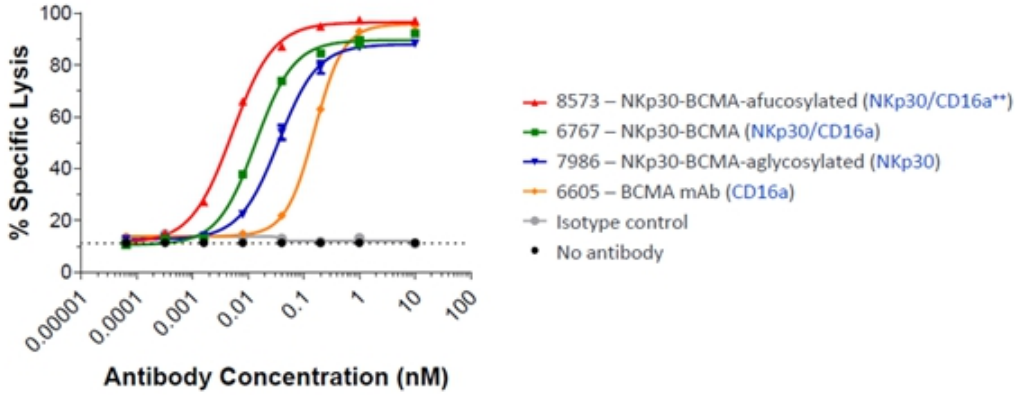


Figure 19. CTX-8573 killed H929 tumor cells with a potency approximately twenty-fold higher than that of a BCMA antibody

The potent activity against H929 cells seen *in vitro* also extended to *in vivo* experiments in a humanized mouse model of disseminated multiple myeloma with H929 cells. Mice lacking NK cells and those treated with an isotype control antibody all died before day 45. Treatment with CTX-8573, the afucosylated NKp30 x BCMA bispecific, led to long-term survival with all mice surviving beyond day 130.

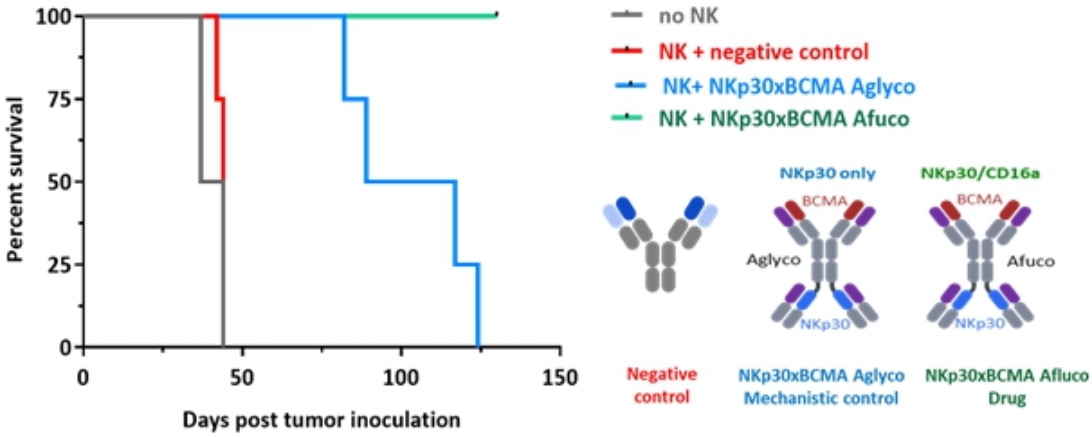


Figure 20. Treatment with CTX-8573 led to long-term survival in a H929 tumor model

We intend to initiate IND-enabling studies with CTX-8573 in the first half of 2021. We are also applying the knowledge gained from CTX-8573 to the development of other NKp30 bispecific antibodies where the BCMA antigen binding domain is replaced with antigen-binding domains against other tumor antigens.

Potential benefit of CTX-8573 in autoimmune diseases

Although the preclinical data with CTX-8573 in multiple myeloma is compelling, there are a number of other BCMA-directed therapies in development for multiple myeloma including CAR-T cells, bispecifics, and antibody drug conjugates that are already in intermediate or late clinical development stages. Most of these approaches show promise when BCMA levels are high, as is the case for multiple melanoma patients, but they fall short of delivering benefit when BCMA levels are low. Additionally, most of these approaches are associated with certain toxicities such as cytokine release storm or broad cytotoxicity, rendering them acceptable therapies for oncology but limit its use outside of oncology in a chronic setting. We believe that CTX-8573 is differentiated from other BCMA product candidates by its ability to deplete not only high but also intermediate and low expressing BCMA plasma cells, and by its selectivity, which we believe may result in a more favorable tolerability profile. These differentiated characteristics make it suitable to serve as a therapeutic agent for a set of severe autoimmune disease indications where pathogenic cells may have lower levels of BCMA and a safety profile is instrumental.

A number of autoimmune diseases are caused by antibody-mediated immune attack on healthy tissues. These diseases include, among others, myasthenia gravis, immune thrombocytopenia and pemphigus vulgaris. A common thread between these diseases is the high level of autoimmune antibodies that are secreted by plasma cells. Current therapeutic approaches for these diseases are focused on removal of these antibodies either physically by techniques such plasmapheresis or by therapies designed to accelerate the destruction of circulating antibodies. We believe that eliminating the plasma cells, which are the source of these antibodies, may be a more effective therapeutic approach.

Plasma cells can be generally divided into two distinct categories: short-lived plasma cells with a lifespan of three to five days and long-lived memory plasma cells able to secrete antibodies for months, years or a lifetime. We believe CTX-8573 has the potential to lead to the destruction of both types of plasma cells resulting in rapid reductions in the number of cells actively secreting antibodies and removal of long-term memory plasma cells which has the potential to result in disease-modifying therapeutic benefit.

Plasma cells produce two types of antibodies, IgM and IgG. IgM antibodies are produced during the initial antibody response to novel antigens. Later, plasma cells secrete IgG antibodies, which are more highly refined for specific antigens. In a humanized mouse model containing human BCMA-expressing plasma cells, treatment with CTX-8573 led to a significant reduction in the serum levels of human IgM.

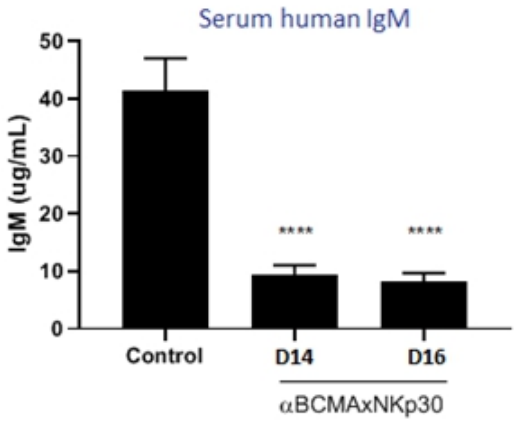


Figure 21. CTX-8573 leads to significant reductions in serum levels of human IgM

In contrast to other cell engagers that demonstrate limited activity against cells expressing low antigen levels, CTX-8573 maintains good level of specific cell killing activity even when antigen levels drop below 5,000 copies per cell.

The ability of CTX-8573 to induce selective and potent killing of cells expressing low BCMA levels can extend its utility to selectively deplete antibody-producing plasma cells. The selective depletion of antibody-producing cells, not only in the periphery but also in the bone marrow, has been a long sought-after goal of novel therapies developed for severe autoimmune diseases mediated by pathogenic antibodies.

We believe that anti-BCMA antibodies lack the potency to lead to the destruction of sufficient numbers of plasma cells, especially those expressing lower levels of BCMA. Conversely, more potent products such as BCMA-antibody drug conjugates, CAR-T cells and BCMA x CD3 BiTE molecules, may have the necessary potency, but that potency is associated with toxicities which may be acceptable in oncology, but not in individuals with autoimmune disease. We believe the ability of CTX-8573 to direct NK cell-dependent destruction of plasma cells gives our BCMA product candidate the proper balance between highly potent cell killing and limited toxicity.

Broad potential of our innate cell-engager platform

We have created a series of early-stage product bispecific candidates that couple tumor antigen-binding domains to our NKp30 innate cell targeting domain. These candidates include:

- **NKp30 x CD20 bispecifics.** We have shown in animal models that CD20 x NKp30 bispecifics lead to rapid and sustained reductions in the levels of both circulating B cells and B cells in the spleen.

- **NKp30 x Her2 bispecifics.** Through our antibody diversity platform, we have created and fully characterized approximately 50 Her2 binding domains with a wide range of epitope diversity. Each of the bispecific constructs created with these domains has potent cell lysis activity that compares favorably against trastuzumab, a Her2 specific antibody marketed as Herceptin® by Genentech against breast cancer cells expressing high levels of Her2. However, unlike trastuzumab, our NKp30 bispecifics maintain this high potency against breast and colon tumor cells expressing lower levels of Her2.

License Agreement

We are successor to an amended and restated collaboration agreement with Adimab, LLC, or Adimab, dated February 11, 2015, as amended. This agreement relates to our collaboration with Adimab for certain antibodies for development and commercialization as biopharmaceutical products, including our lead product candidate, CTX-471. We were granted an exclusive option to license antibodies under the agreement, which we exercised with respect to CTX-471, through which we gained an exclusive license to certain Adimab patents and know-how related to CTX-471. We are required to use commercially reasonable efforts to develop, seek marketing authorization for, launch and commercialize the licensed antibody. We are required to make payments upon achievement of development milestones that, as of December 31, 2019, amounted to $3.5 million. In addition, we are required to pay royalties at rates ranging in the single digits as a percentage of future net sales within a specified term from the first commercial sale.

The agreement will expire on a country by country basis on the expiration of the last royalty term for a product in the particular country, which commences from the first commercial sale of such product in such country until the twelve-year anniversary of such sale, in which case the license for any licensed antibody will automatically convert to be perpetual, irrevocable, non-exclusive and fully-paid in such country. The agreement may also be terminated by the parties for uncured material breach by the other party, and we may also terminate the agreement upon three months prior written notice to Adimab.

Intellectual Property

Overview

We strive to protect the proprietary technology, inventions, and know-how to enhance improvements that are commercially important to the development of our business, including seeking, maintaining, and defending patent rights. We also rely on trade secrets and know-how relating to our proprietary technology platform, on continuing technological innovation and on in-licensing opportunities to develop, strengthen and maintain the strength of our position in the field of antibody therapeutics that may be important for the development of our business. We additionally may rely on regulatory protection afforded through data exclusivity, market exclusivity and patent term extensions where available.

Our commercial success depends in part on our ability to: obtain and maintain patent and other protections for commercially important technology, inventions and know-how related to our business; defend and enforce our patents; preserve the confidentiality of our trade secrets; and operate without infringing the valid enforceable patents and intellectual property rights of third parties.

Our ability to stop third parties from making, using, selling, offering to sell, or importing our products depends in large part on the extent to which we have rights under valid and enforceable licenses, patents, or trade secrets that cover these activities. In some cases, these rights may need to be enforced by third party licensors. With respect to company-owned intellectual property, we cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any of our existing patents or any patents that may be granted to us in the future will be commercially useful in protecting our commercial products and methods of manufacturing the same. For more information, please see "Risk Factors—Risks Related to Our Intellectual Property."

We seek to protect our proprietary position by, among other things, filing patent applications in the United States and internationally in certain jurisdictions where it is available. For example, we file U.S. and selected foreign patent applications related to our proprietary technology, inventions, and improvements that are important to the development of our business. We also intend to seek patent protection, or rely upon trade secret rights, to protect other technologies that may be used to discover and validate targets and that may be used to identify and develop novel products or improvements thereof. We seek protection, in part, through confidentiality and proprietary information agreements.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional application which matures into a granted patent. A U.S. patent also may be accorded a patent term adjustment, or PTA, under certain circumstances to compensate for delays in obtaining the patent caused by the U.S. Patent and Trademark Office. In some instances, such a PTA may result in a U.S. patent term extending beyond 20 years from the earliest date of filing a non-provisional patent application. In addition, in the U.S., the term of a U.S. patent that covers an FDA approved drug may also be eligible for patent term extension, which permits patent term restoration as compensation for the patent term lost during the FDA regulatory review process. The Hatch Waxman Act permits a patent term extension of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be extended. Similar provisions are available in Europe and other foreign jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our products receive FDA approval, we expect to apply for patent term extensions on patents covering those products. We plan to seek patent term extensions to any of our issued patents in any jurisdiction where these are available; however, there is no guarantee that the applicable authorities, including the FDA in the U.S., will agree with our assessment of whether such extensions should be granted, and if granted, the length of such extensions.

Patent Protection

For all patent applications, we determine strategy for claim scope on a case-by-case basis, taking into account advice of counsel and our business model and needs. We file patents containing claims for protection of all useful applications of our proprietary technologies and any products, as well as all new applications and/or uses we discover for existing technologies and products, based on our assessment of their strategic value. We continuously reassess the number and type of patent applications, as well as pending and issued patent claims to ensure that maximum coverage and value are obtained for our processes and compositions, given existing patent office rules and regulations. Further, claims may be modified during patent prosecution to meet our intellectual property and business needs.

Our patent estate includes patent applications with claims relating to our product candidates, methods of use and manufacturing processes, and claims for potential future products and developments. We have 91 patent applications pending in the United States and foreign jurisdictions relating to CTX-471, CTX-8371, CTX-8573 and other discovery and research programs. We have five patents which have issued in the United States related to our CTX-471 program.

We own six pending patent families with five issued U.S. patents, five U.S. Utility or provisional patent applications, two Patent Cooperation Treaty, or PCT, patent applications and 25 patent applications in foreign jurisdictions, including Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Eurasian Patent Office, Egypt, Europe, Israel, India, Japan, Korea, Mexico, Malaysia, New Zealand, Peru, Singapore, Thailand, Taiwan, and South Africa related to our CD137 agonist antibody therapeutic platform including, but not limited to, our CTX-471 therapeutic candidate. Patents that grant from these patent families are generally expected to start to expire in 2038, subject to possible patent term extension.

We own two pending patent families with two U.S. Utility or provisional patent applications, one PCT patent application, and two patent applications in foreign jurisdictions, including Argentina and Taiwan related to our PD-1/PD-L1 bispecific antibody therapeutic platform including, but not limited to, our CTX-8371 therapeutic candidate. Patents that grant from these patent families are generally expected to start to expire in 2039, subject to possible patent term extension.

We own 11 pending patent families with 13 U.S. Utility or provisional patent applications, one PCT patent application and one patent application in a foreign jurisdiction, including Taiwan related to our NKp30 bispecific antibody therapeutic platform including, but not limited to, our CTX-8573 therapeutic candidate. Patents that grant from these patent families are generally expected to start to expire in 2039, subject to possible patent term extension.

We own, or have an ownership interest in, 12 pending patent families with four U.S. Utility or provisional patent applications, four PCT patent applications, and 17 patent applications in foreign jurisdictions including Australia, Canada, China, Europe, Hong Kong, and Japan related to our discovery and research programs. Patents that grant from these patent families are generally expected to start to expire in 2036, subject to possible patent term extension.

We own eight pending patent families with six U.S. Utility or provisional patent applications, two PCT patent applications, and three patent applications in foreign jurisdictions including China, Europe, and Japan related to our antibody and display programs including, but not limited to, common light chains mammalian display platforms and StitchMabs™. Patents that grant from these patent families are generally expected to start to expire in 2039, subject to possible patent term extension.

Trademark Protection

We have filed for and obtained trademark protection in the U.S., China, Europe and Japan for the COMPASS THERAPEUTICS word mark for goods and services.

We have filed for and obtained protection in China for the Compass Therapeutics logo in China for goods and services.

We have filed for trademark protection of the StitchMabs word mark in the U.S. for goods and services.

Trade Secret Protection

Finally, we may rely, in some circumstances, on trade secrets to protect our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our employees, consultants, scientific advisors and contractors. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For further information, please see "*Risk Factors—Risks Related to Our Intellectual Property*."

Competition

The biotechnology and pharmaceutical industries, and the immuno-oncology subsector, are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property. We believe that our programs, including CTX-471, CTX-8371, CTX-8573 and our platform technologies, including our StitchMabs platform and our NKp30 platform, programs, technology, knowledge, experience and scientific resources provide us with competitive advantages, but we also face competition from pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others. Our competitors include larger and better funded biopharmaceutical, biotechnology and therapeutics companies, including companies focused on cancer immunotherapies, such as AbbVie, Amgen, Inc., AstraZeneca plc, Bristol-Myers Squibb Company, or BMS, Eli Lilly, Genentech, Inc., GlaxoSmithKline PLC, Johnson & Johnson, Merck & Co., Inc., Merck KGaA, Novartis AG, Pfizer Inc., Roche Holding Ltd and Sanofi S.A. Moreover, we may also compete with smaller or earlier-stage companies, universities and other research institutions that have developed, are developing or may be developing current and future cancer therapeutics.

Product candidates that we successfully develop and commercialize will compete with a range of therapies that are currently approved and any new therapies that may become available in the future. Key product features that would affect our ability to effectively compete with other therapeutics include the efficacy, safety and convenience of our products. Currently marketed oncology drugs and therapeutics range from traditional cancer therapies, including chemotherapy, to antibody-drug conjugates, such as Genentech Inc.'s Kadcyla, to immune checkpoint inhibitors targeting CTLA-4, such as BMS' Yervoy, and PD-1/PD-L1, such as BMS' Opdivo, Merck & Co.'s Keytruda and Genentech's Tecentriq, to T cell-engager immunotherapies, such as Amgen's Blincyto. In addition to these marketed therapies, numerous compounds are in clinical development for the potential treatment of cancer. In addition, we are exploring CTX-8573 for the treatment of severe autoimmune indications, for which there are several approved and marketed products that CTX-8573 may compete with, if approved, including Alexion's Soliris and Roche's Rituxan.

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

Sales and Marketing

We hold worldwide commercialization rights to all of our product candidates. Subject to receiving marketing approval, we intend to maximize the value of our product candidates by either independently pursuing the commercialization of our products in one or more major geographies by building an internal sales and marketing organization, or seek collaborations with third parties with commercialization infrastructure.

We also plan to build a marketing and sales management organization to create and implement marketing strategies for any products that we market through our own sales organization and to oversee and support our sales force. The responsibilities of the marketing organization would include developing educational initiatives with respect to approved products and establishing relationships with researchers and practitioners in relevant fields of medicine.

Manufacturing

We do not currently own or operate manufacturing facilities for the production of clinical or commercial quantities of our product candidates. We have relied on, and intend to continue to rely on, qualified third-party contract manufacturers to produce our product candidates, including clinical supplies to support our clinical trials. We expect that commercial quantities of any compound and materials for our product candidates, if approved, will be manufactured in facilities and by processes that comply with FDA and other regulations, which may differ from our current clinical supply manufacturers. At the appropriate time in the product development process, we will determine whether to establish manufacturing facilities or continue to rely on third parties to manufacture commercial quantities of any products that we may successfully develop.

Government Regulation

Government authorities in the United States, including federal, state, and local authorities, and in other countries, extensively regulate, among other things, the manufacturing, research and clinical development, marketing, labeling and packaging, storage, distribution, post-approval monitoring and reporting, advertising and promotion, and export and import of biological products, such as those we are developing. In addition, some government authorities regulate the pricing of such products. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local, and foreign statutes and regulations require the expenditure of substantial time and financial resources.

Review and Approval for Licensing Biologics in the United States

In the United States, the FDA regulates biological products under the Federal Food, Drug, and Cosmetic Act, or FDCA, and the Public Health Service Act, or PHSA, and their implementing regulations. FDA approval is required before any biological product can be marketed in the United States. Biological products are also subject to other federal, state, and local statutes and regulations. If we fail to comply with applicable FDA or other requirements at any time during the product development process, clinical testing, the approval process or after approval, we may become subject to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, untitled or warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties or criminal prosecution. Any FDA enforcement action could have a material adverse effect on us.

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

- completion of extensive nonclinical laboratory tests and nonclinical animal studies, all performed in accordance with the Good Laboratory Practices, or GLP, regulations;
- submission to the FDA of an investigational new drug application, or IND, which must become effective before human clinical trials may begin and must be updated annually;
- approval by an independent institutional review board, or IRB, or ethics committee representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with Good Clinical Practices, or GCPs, to establish the safety and efficacy of the product candidate for each proposed indication;
- preparation of and submission to the FDA of a biologics license application, or BLA, after completion of all pivotal clinical trials;
- review of the product application by an FDA advisory committee, where appropriate and if applicable;
- a determination by the FDA within 60 days of its receipt of a BLA to file the application for review;satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities where the proposed product is produced to assess compliance with current Good Manufacturing Practices, or cGMP;
- satisfactory completion of any FDA audits of the clinical study sites to assure compliance with GCPs, and the integrity of clinical data in support of the BLA; and
- FDA review and approval of a BLA for a biological product candidate that is safe, pure, and potent prior to any commercial marketing or sale of the product in the United States.

The nonclinical and clinical testing and approval process requires substantial time, effort, and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all.

An IND is a request for authorization from the FDA to administer an investigational biological product to humans in clinical trials. The central focus of an IND submission is on the general investigational plan, the protocol(s) for human trials and the safety of study participants. The IND also includes results of animal and in vitro studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing and controls information; and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. An IND will automatically become effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to the proposed clinical trials. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before clinical trials can begin. Accordingly, submission of an IND may or may not result in the FDA allowing clinical trials to commence. The FDA may impose a clinical hold at any time during clinical trials and may impose a partial clinical hold that would limit trials, for example, to certain doses or for a certain length of time.

Clinical Trials

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the inclusion and exclusion criteria, the parameters to be used in monitoring safety, and the efficacy criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. Additionally, approval must also be obtained from each clinical trial site's IRB, before the trials may be initiated and the IRB must monitor the trial until completed. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.

The clinical investigation of a biological product is generally divided into three or four phases. Although the phases are usually conducted sequentially, they may overlap or be combined.

Phase 1. The investigational product is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are designed to evaluate the safety, dosage tolerance, metabolism and pharmacologic actions of the investigational product in humans, the side effects associated with increasing doses, and if possible, to gain early evidence on effectiveness.

Phase 2. The investigational product is administered to a limited patient population to evaluate dosage tolerance and optimal dosage, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy.

Phase 3. The investigational product is administered to an expanded patient population, generally at geographically dispersed clinical trial sites to generate enough data to statistically evaluate safety, purity and potency, to evaluate the overall benefit-risk profile of the investigational product, and to provide an adequate basis for physician labeling.

Phase 4. In some cases, the FDA may condition approval of a BLA for a product candidate on the sponsor's agreement to conduct additional clinical trials after approval. In other cases, a sponsor may voluntarily conduct additional clinical trials after approval to gain more information about the biological product. Such post-approval studies are typically referred to as Phase 4 clinical trials.

Sponsors must also report to the FDA, within certain timeframes, serious and unexpected adverse reactions, any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator's brochure, or any findings from other studies or animal or in vitro testing that suggest a significant risk in humans exposed to the product candidate. The FDA, the IRB, or the clinical trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated check points based on access to certain data from the trial. We may also suspend or terminate a clinical trial based on evolving business objectives or competitive climate.

A manufacturer of an investigational biological product for a serious disease or condition is required to make available, such as by posting on its website, its policy on evaluating and responding to requests for individual patient access to such investigational biological product. This requirement applies on the earlier of the first initiation of a Phase 2 or Phase 3 trial of the investigational biological product or, as applicable, 15 days after the biological product receives a designation as a breakthrough therapy or fast track product.

Submission of a BLA to the FDA

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, detailed investigational product information is submitted to the FDA in the form of a BLA requesting approval to market the product for one or more indications. Under federal law, the submission of most BLAs is subject to an application user fee. For fiscal year 2020, the application user fee is $ 2,942,965, and the sponsor of an approved BLA is also subject to an annual program fee of $325,424 for each approved biological product on the market. These fees are typically increased annually. Applications for orphan drug products are exempted from the BLA user fees and may be exempted from program fees, unless the application includes an indication for other than a rare disease or condition.

A BLA must include all relevant data available from pertinent nonclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including trials initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational product to the satisfaction of the FDA.

The FDA conducts a preliminary review of all BLAs within the first 60 days after submission before accepting them for filing to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an application for filing. Once a BLA has been submitted, the FDA's goal for novel biological products generally is to review the application within ten months after it accepts the application for filing, or, if the application relates to an unmet medical need in a serious or life-threatening indication, six months after the FDA accepts the application for filing. The review process is often significantly extended by the FDA's requests for additional information or clarification.

Before approving a BLA, 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 a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP.

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

The FDA's Decision on a BLA

After the FDA evaluates the BLA and conducts relevant inspections, it may issue an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the biological product with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete and the application is not ready for approval. A Complete Response Letter will identify the deficiencies that prevent the FDA from approving the application and may require additional clinical data or an additional Phase 3 clinical trial(s), or other significant, expensive and time-consuming requirements related to clinical trials, nonclinical studies or manufacturing. Even if such additional information is submitted, the FDA may ultimately decide that the BLA does not satisfy the criteria for approval and issue a denial.

The FDA could also approve the BLA with a Risk Evaluation and Mitigation Strategy, or REMS, program 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. The FDA also may condition approval on, among other things, changes to proposed labeling, development of adequate controls and specifications, or a commitment to conduct one or more post-market studies or clinical trials. Such post-market testing may include Phase 4 clinical trials and surveillance to further assess and monitor the product's safety and effectiveness after commercialization.

New government requirements, including those resulting from new legislation, may be established, or the FDA's policies may change, which could delay or prevent regulatory approval of our products under development.

Expedited Review and Accelerated Approval Programs

A sponsor may seek approval of its product candidate under programs designed to accelerate FDA's review and approval of BLAs. For example, Fast Track Designation may be granted to a biological product intended for treatment of a serious or life-threatening disease or condition that has potential to address unmet medical needs. The key benefits of fast track designation are more frequent interactions with the FDA during development and testing, the eligibility for priority review, and rolling review, which is submission of portions of an application before the complete marketing application is submitted.

Based on results of the Phase 3 clinical trial(s) submitted in a BLA, the FDA may grant the BLA a priority review designation, which sets the target date for FDA action on the application for a novel product at six months after the FDA accepts the application for filing. Priority review is granted where there is evidence that the proposed product would be a significant improvement in the safety or effectiveness of the treatment, diagnosis, or prevention of a serious condition. If criteria are not met for priority review, the application is subject to the standard FDA review period of ten months after FDA accepts the application for filing. Priority review designation does not change the scientific/medical standard for approval or the quality of evidence necessary to support approval.

Under the accelerated approval program, the FDA may approve a BLA on the basis of either a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. Post-marketing trials or completion of ongoing trials after marketing approval are generally required to verify the biological product's clinical benefit in relationship to the surrogate endpoint or ultimate outcome in relationship to the clinical benefit.

In addition, a sponsor may seek FDA designation of its product candidate as a breakthrough therapy if the biological product 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 biological product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The benefits of breakthrough therapy designation include the same benefits as a Fast Track designation, in addition to intensive guidance from FDA to ensure an efficient development program.

Post-Approval Requirements

Biological products 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, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. Biological product manufacturers are subject to periodic unannounced inspections by the FDA and state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

We rely, and expect to continue to rely, on third parties for the production of clinical quantities of our product candidates, and expect to rely in the future on third parties for the production of commercial quantities. Future FDA and state inspections may identify compliance issues at our facilities or at the facilities of our contract manufacturers that may disrupt production, or distribution, or may require substantial resources to correct. In addition, discovery of previously unknown problems with a product or the failure to comply with applicable requirements may result in restrictions on a product, manufacturer or holder of an approved BLA, including withdrawal or recall of the product from the market or other voluntary, FDA-initiated or judicial action that could delay or prohibit further marketing.

The FDA may suspend or revoke product license approvals if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. FDA has authority to require post-market studies, in certain circumstances, on reduced effectiveness of a biological product and FDA may require labeling changes related to new reduced effectiveness information. Other potential consequences of a failure to maintain regulatory compliance include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, untitled or warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending BLAs or supplements to approved BLAs;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising, and promotion of products that are placed on the market. Biological products may be promoted only for the approved indications and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

Pediatric Trials and Exclusivity

A sponsor who is planning to submit a marketing application for a biological product that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration must submit an initial Pediatric Study Plan, or PSP, within sixty days of an end of Phase 2 meeting or as may be agreed between the sponsor and FDA. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. Generally, development program candidates designated as orphan drugs are exempt from the above requirements. FDA and the sponsor must reach 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 nonclinical studies, early phase clinical trials, and/or other clinical development programs.

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

Patent Term Restoration

Depending upon the timing, duration, and specifics of the FDA approval of the use of our product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly 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. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of a BLA, plus the time between the submission date and the approval of that application. Only one patent applicable to an approved product is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent and within 60 days of the product's approval. The U.S. Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we may apply for restoration of patent term for one of our currently owned or licensed patents to add patent life beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant BLA.

Biosimilars and Exclusivity

The Patient Protection and Affordable Care Act, or Affordable Care Act, signed into law on March 23, 2010, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009, or BPCI Act, which created an abbreviated approval pathway for biological products shown to be similar to, or interchangeable with, an FDA-licensed reference biological product. This amendment to the PHSA attempts to minimize duplicative testing. Biosimilarity, which requires that there be no clinically meaningful differences between the proposed biological product and the reference product in terms of safety, purity, and potency, can be shown through analytical studies, animal studies, and a clinical trial or trials. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product and, for products administered multiple times, the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic.

A reference biologic is granted twelve years of exclusivity from the time of first licensure of the reference product.

European Union/Rest of World Government Regulation

In addition to regulations in the United States, we will be subject to a variety of regulations in other jurisdictions governing, among other things, clinical trials and any commercial sales and distribution of our products. The cost of establishing a regulatory compliance system for numerous varying jurisdictions can be very significant. Although many of the issues discussed above with respect to the United States apply similarly in the context of the European Union and in other jurisdictions, the approval process varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact the regulatory process in others.

Whether or not we obtain FDA approval for a product, we must obtain the requisite approvals from regulatory authorities in foreign countries prior to the commencement of clinical trials or marketing of the product in those countries. Certain countries outside of the United States have a similar process that requires the submission of a clinical trial application much like the IND prior to the commencement of human clinical trials. In the European Union, for example, a clinical trial authorization application, or CTA, must be submitted for each clinical protocol to each country's national health authority and an independent ethics committee, much like the FDA and IRB, respectively. Once the CTA is accepted in accordance with a country's requirements, the clinical trial may proceed.

The requirements and process governing the conduct of clinical trials vary from country to country. In all cases, the clinical trials are conducted in accordance with GCP, the applicable regulatory requirements, and the ethical principles that have their origin in the Declaration of Helsinki.

To obtain regulatory approval of an investigational medicinal product under European Union regulatory systems, we must submit a marketing authorization application. The content of the BLA filed in the United States is similar to that required in the European Union, with the exception of, among other things, country-specific document requirements.

For other countries outside of the European Union, such as countries in Eastern Europe, Latin America or Asia, the requirements governing product licensing, pricing, and reimbursement vary from country to country.

Countries that are part of the European Union, as well as countries outside of the European Union, have their own governing bodies, requirements, and processes with respect to the approval of biological products. If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Authorization Procedures in the European Union

Medicines can be authorized in the European Union by using either the centralized authorization procedure or national authorization procedures.

Centralized procedure. The European Medicines Agency, or EMA, implemented the centralized procedure for the approval of human medicines to facilitate marketing authorizations that are valid throughout the European Economic Area, or EEA, which is comprised of the 28 member states of the European Union plus Norway, Iceland, and Lichtenstein. This procedure results in a single marketing authorization issued by the EMA that is valid across the EEA. The centralized procedure is compulsory for human medicines that are: derived from biotechnology processes, such as genetic engineering, contain a new active substance indicated for the treatment of certain diseases, such as HIV/AIDS, cancer, diabetes, neurodegenerative disorders or autoimmune diseases and other immune dysfunctions, 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 Commission following a favorable opinion by the EMA, as long as the medicine concerned is a significant therapeutic, scientific or technical innovation, or if its authorization would be in the interest of public health.

National authorization procedures. There are also two other possible routes to authorize medicinal products in several European Union countries, which are available for investigational medicinal 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 European Union country of medicinal products that have not yet been authorized in any European Union 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 European Union Member State, in accordance with the national procedures of that country. Following this, further marketing authorizations can be sought from other European Union countries in a procedure whereby the countries concerned agree to recognize the validity of the original, national marketing authorization.

In some cases, a Pediatric Investigation Plan, or PIP, or a request for waiver or deferral, is required for submission prior to submitting a marketing authorization application. A PIP describes, among other things, proposed pediatric trials and their timing relative to clinical trials in adults.

New Chemical Entity Exclusivity

In the European Union, new chemical entities, sometimes referred to as new active substances, qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity. This data exclusivity, if granted, prevents regulatory authorities in the European Union from referencing the innovator's data to assess a generic (abbreviated) application for eight years, after which generic marketing authorization can be submitted, and the innovator's data may be referenced, but not approved for two years. The overall ten-year period will 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.

Accelerated Review

Under the centralized procedure in the European Union, the maximum timeframe for the evaluation of a marketing authorization application 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 EMA's Committee for Medicinal Products for Human Use, or CHMP). Accelerated evaluation 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. In this circumstance, EMA ensures that the opinion of the CHMP is given within 150 days, excluding clock stops.

Pharmaceutical Coverage, Pricing and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any products for which we obtain regulatory approval. In the United States and markets in other countries, sales of any products for which we receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement for our products from third-party payors, such as 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 antibody-based 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 and 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 drug product does not imply that an adequate reimbursement rate will be approved

No uniform policy of coverage and reimbursement for drug products exists among third-party payors. Therefore, coverage and reimbursement for drug products 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 that the payor will pay for the product. One payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor. Third-party payors may also limit coverage to specific products on an approved list, or formulary, which might not include all of the FDA-approved products for a particular indication.

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. Our product candidates may nonetheless 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 the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its 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.

In some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, in the European Union Member States can restrict the range of medicinal products for which their national health insurance systems provide reimbursement and they 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 Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Approaches between Member States are diverging. For example, in France, effective market access will be supported by agreements with hospitals and products may be reimbursed by the Social Security Fund. The price of medicines is negotiated with the Economic Committee for Health Products, or CEPS. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, products launched in the European Union do not follow price structures of the United States and generally prices tend to be significantly lower.

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 regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively, the Affordable Care Act, or 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 for drugs sold to Medicaid programs 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 created a mandatory 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 numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Various portions of the ACA are currently undergoing legal and constitutional challenges in the United States Supreme Court; the Trump Administration has issued various Executive Orders which eliminated 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 legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, on August 2, 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 was created to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not achieve a targeted deficit reduction of at least $1.2 trillion for the years 2012 through 2021, 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, and due to subsequent legislative amendments, will stay in effect through 2030 unless additional Congressional action is taken. However, 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, or the ATRA. The ATRA, 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. Additionally, in December 2018, CMS published a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the Affordable Care Act risk adjustment program in response to the outcome of a federal district court litigation regarding the method CMS uses to determine this risk adjustment. Since then, the ACA risk adjustment program payment parameters have been updated annually.

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 proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare and reform government program reimbursement methodologies for drug 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" to lower drug prices and reduce out of pocket costs of drugs that contained proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the 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. Although a number of these, and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical 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.

On May 30, 2018, the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a drug manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

Other Healthcare Laws and Compliance Requirements

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, healthcare providers and physicians may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we develop, market, sell and distribute any drugs for which we obtain marketing approval. In the United States, these laws include, among others:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying remuneration (including any kickback, bribe, or certain rebates), 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 for 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 term remuneration has been interpreted broadly to include anything of value. 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 need not have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation. Violations are subject to significant civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. In addition, a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act, or FCA;

- federal civil and criminal false claims laws, including the FCA, and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid, or other third-party payors, that are false, fictitious or fraudulent; knowingly making, using, or causing to be made or used, a false statement or record material to a false or fraudulent claim or obligation to pay or transmit money or property to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay money to the federal government. Manufacturers can be held liable under the FCA 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 FCA also permits a private individual acting as a “whistleblower” to bring qui tam actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. When an entity is determined to have violated the FCA, the government may impose civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created 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 statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statute or specific intent to violate it;

- the federal Physician Payment Sunshine Act, created under the ACA and its implementing regulations, which requires drug, device, medical supply, and biologics manufacturers to disclose payments under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report annually to HHS information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. 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;

- HIPAA, as amended by the Health Information Technology and Clinical Health Act of 2009, or HITECH, and its implementing regulations, 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," those independent contractors or agents of covered entities that create, receive, maintain, transmit or obtain protected health information in connection with providing a service 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 and foreign 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 of sales representatives; state laws that require biopharmaceutical companies to comply with the biopharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; state and local laws that require the registration of pharmaceutical sales representatives; data privacy and security laws and regulations in foreign jurisdictions that may be more stringent than those in the United States (such as the European Union, which adopted the General Data Protection Regulation, which became effective in May 2018); and state and foreign 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 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 found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to administrative, civil, and criminal penalties, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, imprisonment, damages, fines, disgorgement, reputational harm, the curtailment or restructuring of our operations, and additional oversight and reporting obligations if we become subject to a corporate integrity agreement or similar settlement 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. 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 its business.

We are also subject to the U.S. Foreign Corrupt Practices Act, or FCPA, which prohibits improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business and requires companies to maintain accurate books and records and a system of internal accounting controls. Safeguards we implement to discourage improper payments or offers of payments by our employees, consultants, and others may be ineffective, and violations of the FCPA and similar laws may result in severe criminal or civil sanctions, or other liabilities or proceedings against us, any of which would likely harm our reputation, business, financial condition and result of operations.

In the event we decide to conduct future clinical trials in the European Union, we may be subject to additional privacy restrictions. The collection, use, storage, disclosure, transfer, or other processing of personal data regarding individuals in the European Economic Area, or EEA, including personal health data, is subject to the EU General Data Protection Regulation, or GDPR, which became effective on May 25, 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA, including the United States, and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global revenues, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. In addition, the GDPR includes restrictions on cross-border data transfers. The GDPR may increase our responsibility and liability in relation to personal data that we process where such processing is subject to the GDPR, and we may be required to put in place additional mechanisms to ensure compliance with the GDPR, including as implemented by individual countries. Compliance with the GDPR will be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with our European activities. Further, the United Kingdom's decision to leave the EU, often referred to as Brexit, has created uncertainty with regard to data protection regulation in the United Kingdom. In particular, it is unclear how data transfers to and from the United Kingdom will be regulated now that the United Kingdom has left the EU.

Employees

As of May 31, 2020, we had 28 employees, of which 27 were full-time employees, 17 were primarily engaged in research and development activities and 11 hold M.D. or Ph.D. degrees. None of our employees is represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Facilities

Our corporate headquarters are located in Cambridge, Massachusetts, and consist of 11,290 square feet of office space, 13,197 square feet of laboratory space and 4,339 square feet of storage space. We believe that these facilities are adequate for our current needs and that suitable additional or substitute space will be available in the future if needed.

Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings as part of our ordinary course of business. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business.

Corporate Information

We were incorporated as Olivia Ventures, Inc. in the State of Delaware on March 20, 2018. On June 17, 2020, a wholly-owned subsidiary of ours merged with and into Compass Therapeutics, a private limited liability company formed on January 29, 2014. Following the Merger, Compass Therapeutics was the surviving entity and became our wholly-owned subsidiary, and all of the outstanding common and preferred membership interests of Compass Therapeutics were converted into shares of our common stock. On June 17, 2020, we changed our name to Compass Therapeutics, Inc. As a result of the Merger, we acquired the business of Compass Therapeutics and we will continue the existing business operations of Compass Therapeutics as a public reporting company under the name Compass Therapeutics, Inc.

Our principal executive offices are located at 245 First Street, 3rd Floor, Cambridge, Massachusetts 02142, and our telephone number is (617) 500-8099.

Available Information

Our website address is www.compasstherapeutics.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to such reports are filed with the SEC. We are subject to the informational requirements of the Exchange Act and file or furnish reports, proxy statements, and other information with the SEC. Such reports and other information filed by us with the SEC will be available free of charge on our website at www.compasstherapeutics.com when such reports are available on the SEC's website. The SEC maintains a website that contains reports, proxy and information statements, and other information that issuers file electronically with the SEC at www.sec.gov.

The contents of the websites referred to above are not incorporated into this filing. Further, our references to the URLs for these websites are intended to be inactive textual references only.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below together with all of the other information in this Report, including our financial statements and the related notes and the information described in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in our other filings with the SEC. If any of the events described below actually occurs, our business, results of operations, financial conditions, cash flows or prospects could be harmed. If that were to happen, you could lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business.

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history and no products approved for commercial sale. We have a history of significant losses, expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability.

We are a clinical-stage biopharmaceutical company with a limited operating history. Since our founding in 2014, we have incurred significant net losses. Our net losses were $34.7 million for the year ended December 31, 2019 and $6.4 million for the three months ended March 31, 2020. As of March 31, 2020, we had an accumulated deficit of $128.3 million. We have funded our operations to date primarily with proceeds from private placements of preferred and common equity and borrowings under the 2018 credit facility with Pacific Western Bank, Inc., or the 2018 Credit Facility. Since commencing operations, we have devoted substantially all of our efforts and financial resources to organizing and staffing our company, identifying business development opportunities, raising capital, securing intellectual property rights related to our product candidates, conducting discovery, and research and development activities for our product candidates.

We expect that it will be several years, if ever, before we have a commercialized product. We expect to continue to incur significant expenses and operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter. We anticipate that our expenses will increase substantially if, and as, we:

- continue to advance the preclinical and clinical development of our existing product candidates and our research programs;
- leverage our research and development capabilities to advance additional product candidates into preclinical and clinical development;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- hire additional clinical, quality control, regulatory, scientific and administrative personnel;
- expand our operational, financial and management systems and increase personnel, including to support our clinical development and our operations as a public company;
- maintain, expand and protect our intellectual property portfolio;
- establish a marketing, sales, distribution and medical affairs infrastructure to commercialize any products for which we may obtain marketing approval and commercialize, whether on our own or jointly with a partner;
- acquire or in-license other technologies or engage in strategic partnerships; and
- incur additional legal, accounting or other expenses in operating our business, including the additional costs associated with operating as a public company.

To become and remain profitable, we must develop and eventually commercialize products with significant market potential. This will require us to be successful in a range of challenging activities, including completing preclinical studies and clinical trials, obtaining marketing approval for product candidates, manufacturing, marketing and selling products and satisfying any post-marketing requirements. We may never succeed in any or all of these activities and, even if we do, we may never generate revenue that is significant or large enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

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

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

- completing preclinical studies and clinical trials of our product candidates, including our ongoing Phase 1 clinical trial of CTX-471 as a monotherapy and other clinical trials for CTX-471, CTX-8371 and CTX-8573;
- seeking and obtaining marketing approvals for any product candidates that we or our collaborators develop;
- identifying and developing new product candidates;
- launching and commercializing product candidates for which we obtain marketing approval by establishing a marketing, sales, distribution and medical affairs infrastructure or, alternatively, collaborating with a commercialization partner;
- achieving coverage and adequate reimbursement by hospitals and third-party payors, including governmental authorities, such as Medicare and Medicaid, private insurers and managed care organizations, for product candidates, if approved, that we or our collaborators develop;
- obtaining market acceptance of product candidates, if approved, that we develop as viable treatment options;
- addressing any competing technological and market developments;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations under such arrangements;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- defending against third-party interference or infringement claims, if any; and
- attracting, hiring and retaining qualified personnel.

We anticipate incurring significant costs associated with commercializing any product candidate that is approved for commercial sale. Our expenses could increase beyond expectations if we are required by the FDA or other regulatory agencies to perform clinical trials or studies in addition to those that we currently anticipate, or if there are any delays in establishing appropriate manufacturing arrangements for or in completing our clinical trials for the development of any of our product candidates, for example, as a result of any setbacks or delays due to the COVID-19 pandemic. Even if we are able to generate revenue from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

We will require substantial additional financing to pursue our business objectives, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development, commercialization efforts or other operations.

Our operations have consumed substantial amounts of cash since inception. We expect to continue to spend substantial amounts to continue the preclinical and clinical development of our current and future programs. If we receive marketing approval for any product candidates, including CTX-471, CTX-8371 and CTX-8573, we will require significant additional amounts of cash in order to launch and commercialize such product candidates. In addition, other unanticipated costs may arise. Because the designs and outcomes of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development of and commercialize any product candidate we develop. Additionally, any COVID-19 related program setbacks or delays due to changes in federal, state, or local laws and regulations or clinical site policies could impact our programs and increase our expenditures.

Our future capital requirements depend on many factors, including:

- the scope, progress, timing, results and costs of researching and developing CTX-471, CTX-8371, CTX-8573 and our other product candidates, including targets identified through our NKp30 innate cell engager platform, and of conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approval for CTX-471, CTX-8371, CTX-8573 and any future product candidates we develop, if clinical trials are successful;
- the costs of manufacturing CTX-471, CTX-8371, CTX-8573 and any future product candidates for preclinical studies and clinical trials and in preparation for marketing approval and commercialization;
- the impact of COVID-19 on the initiation or completion of preclinical studies or clinical trials, the third-parties on whom we rely, and the supply of our product candidates;
- the costs of commercialization activities, including marketing, sales and distribution costs, for CTX-471, CTX-8371, CTX-8573 and any future product candidates we develop, whether alone or with a collaborator, if any of these product candidates are approved for sale;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements on favorable terms, if at all;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of any such litigation;
- our current collaboration and license agreements remaining in effect and our achievement of milestones and the timing and amount of milestone payments we are required to make, or that we may be eligible to receive, under those agreements;
- the timing, receipt and amount of sales of, on our future products, if any; and
- the emergence of competing therapies and other adverse developments in the oncology and immunology market.

Until we can generate sufficient product revenue to finance our cash requirements, which we may never do, we expect to finance our future cash needs through a combination of public or private equity and debt financings, marketing and distribution arrangements, other collaborations, strategic alliances and licensing arrangements. As of March 31, 2020, we had $17.5 million in cash, cash equivalents and marketable securities. In June 2020, we raised an aggregate of $54.0 million in net proceeds from the Private Placement. Based on our research and development plans, we expect that these cash resources will enable us to fund our operating expenses and capital expenditure requirements into the fourth quarter of 2021. This estimate is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we expect. Changes may occur beyond our control that would cause us to consume our available capital before that time, including changes in, and progress of, our development activities, acquisitions of additional product candidates and changes in regulation.

If we raise additional capital through marketing, sales and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our product candidates, future revenue streams or research programs, technologies or grant licenses on terms that may not be favorable to us. If we raise additional capital through public or private equity offerings, the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. Further, to the extent that we raise additional capital through additional sales of common stock or securities convertible or exchangeable into common stock, your ownership interest will be diluted. If we raise additional capital through debt financing, we would be subject to fixed payment obligations and may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

Adequate additional financing may not be available to us on acceptable terms, or at all. If we are unable to obtain additional financing on favorable terms when needed, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, or other research and development activities or one or more of our development programs.

Risks Related to the Discovery and Development of Our Product Candidates

Our business is dependent on our ability to advance our current and future product candidates through clinical trials, obtain marketing approval and ultimately commercialize them.

We are early in our development efforts. We initiated our first clinical trial for CTX-471, our lead product candidate, in July 2019. Our ability to generate product revenues, which we do not expect will occur for several years, if ever, will depend heavily on the successful development and eventual commercialization of CTX-471, CTX-8371, CTX-8573 and any other current or future product candidates we develop, which may never occur. Our current product candidates, including CTX-471, CTX-8371 and CTX-8573, and any future product candidates we develop will require additional preclinical or clinical development, management of clinical, preclinical and manufacturing activities, marketing approval in the United States and other jurisdictions, demonstration of effectiveness to pricing and reimbursement authorities, sufficient cGMP manufacturing supply for both preclinical and clinical development and commercial production, building of a commercial organization and substantial investment and significant marketing efforts before we generate any revenues from product sales.

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

- timely and successful completion of preclinical studies and our clinical trials;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- our plans to successfully submit IND applications with the FDA for CTX-471, CTX-8371, CTX-8573 and or other current and future product candidates;
- our ability to complete preclinical studies for current or future product candidates;
- successful enrollment in, including maintaining or reaching target enrollment levels during the COVID-19 pandemic, and completion of clinical trials;
- successful data from our clinical program that supports an acceptable risk-benefit profile of our product candidates in the intended patient populations;
- our ability to establish agreements with third-party manufacturers on a timely and cost efficient manner;

- whether we are required by the FDA or comparable foreign regulatory authorities to conduct additional clinical trials or other studies beyond those planned or anticipated to support approval of our product candidates;
- acceptance of our proposed indications and the primary endpoint assessments evaluated in the clinical trials of our product candidates by the FDA and comparable foreign regulatory authorities;
- receipt and maintenance of timely marketing approvals from applicable regulatory authorities;
- successfully launching commercial sales of our product candidates, if approved;
- the prevalence, duration and severity of potential side effects or other safety issues experienced with our product candidates, if approved;
- entry into collaborations to further the development of our product candidates;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- acceptance of the benefits and uses of our product candidates, if approved, by patients, the medical community and third-party payors;
- maintaining a continued acceptable safety, tolerability and efficacy profile of the product candidates following approval;
- our compliance with any post-approval requirements imposed on our products, such as post-marketing studies, a Risk Evaluation and Mitigation Strategy, or REMS, or additional requirements that might limit the promotion, advertising, distribution or sales of our products or make the products cost prohibitive;
- competing effectively with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors;
- our ability to identify bispecifics through our NKp30 platform or otherwise; and
- enforcing and defending intellectual property rights and claims.

These factors, many of which are beyond our control, could cause us to experience significant delays or an inability to obtain regulatory approvals or commercialize our current or future product candidates, and could otherwise materially harm our business. Successful completion of preclinical studies and clinical trials does not mean that CTX-471, CTX-8371, CTX-8573 or any other current or future product candidates we develop will receive regulatory approval. Even if regulatory approvals are obtained, we could experience significant delays or an inability to successfully commercialize our current and any future product candidates we develop, which would materially harm our business. If we are not able to generate sufficient revenue through the sale of any current or future product candidate, we may not be able to continue our business operations or achieve profitability.

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

The time required to obtain approval by the FDA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate. Neither we nor any future collaborator is permitted to market any biological product in the United States until we or the future collaborator receives regulatory approval of a biologics license application, or BLA, from the FDA. It is possible that none of our current or future product candidates will ever obtain regulatory approval from the FDA or comparable foreign regulatory authorities.

Our current and future product candidates could 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 has an acceptable risk-benefit profile in the proposed indication;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that the facility in which a product candidate is manufactured meets standards designed to assure that the product candidate continues to be safe, pure, and potent;
- 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 clinical trials or preclinical studies;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a BLA to the FDA or regulatory submissions to comparable regulatory authorities to obtain regulatory approval in such jurisdiction; and
- the FDA or comparable foreign regulatory authorities may find deficiencies with or fail to approve our manufacturing processes or facility or the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies.

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

In addition, even if we were to obtain approval, the FDA may approve any of our product candidates for fewer or more limited indications, or a more limited patient population, than we request, may grant approval contingent on the performance of costly clinical trials or other post-marketing requirements, or may approve a product candidate with a label that does not include the labeling claims we believe are necessary or desirable for the successful commercialization of such product candidates.

In addition, the FDA or comparable foreign regulatory authorities may change their policies, promulgate additional regulations, revise existing regulations or take other actions that may prevent or delay approval of our future products under development on a timely basis. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain approvals, increase the costs of compliance or restrict our ability to maintain any marketing authorizations we may have obtained. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

Clinical development involves a lengthy and expensive process with uncertain outcomes. We may incur additional costs and experience delays in developing and commercializing or be unable to develop or commercialize our current and future product candidates.

To obtain the requisite regulatory approvals to commercialize any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our product candidates are safe, pure and potent in humans. Clinical testing is expensive and can take many years to complete, and its outcome is highly uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful. We may experience delays in completing our clinical trials or preclinical studies and initiating or completing additional clinical trials. Although we initiated a Phase 1 clinical trial of CTX-471 in July 2019, we may experience delays in completing this trial or in initiating any planned clinical trials and development efforts. Additionally, we cannot be certain the ongoing and planned preclinical studies or clinical trials for CTX-471, CTX-8371, CTX-8573 or any other current or future product candidates will begin on time, not require redesign, enroll an adequate number of subjects on time or be completed on schedule, if at all. We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the product candidates we develop, including:

- results from preclinical studies or clinical trials may not be predictive of results from later clinical trials of any product candidate;
- the FDA or other regulatory authorities, Institutional Review Boards, or IRBs, or independent ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- the FDA or other regulatory authorities may require us to submit additional data such as long-term toxicology studies, or impose other requirements on us, before permitting us to initiate a clinical trial;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations, or CROs, as the terms of these agreements can be subject to extensive negotiation and vary significantly among different CROs and trial sites;
- clinical trials of any product candidate may fail to show safety, purity or potency, or may produce negative or inconclusive results, which may cause us to decide, or regulators to require us, to conduct additional nonclinical studies or clinical trials or which may cause us to decide to abandon product candidate development programs;
- the number of patients required for clinical trials may be larger than we anticipate, or we may have difficulty in recruiting and enrolling patients to participate in clinical trials, including as a result of the size and nature of the patient population, the proximity of patients to clinical trial sites, eligibility criteria for the clinical trial, the nature of the clinical trial protocol, the availability of approved effective treatments for the relevant disease and competition from other clinical trial programs for similar indications and clinical trial subjects;
- even though, as of June 1, 2020, we have not experienced challenges in enrolling patients into our ongoing Phase 1 clinical trial of CTX-471, there can be no assurance that we will not encounter such challenges in the future for this trial or other trials. It may be difficult to enroll a sufficient number of patients, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials or may fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our CROs and other third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators;

- we may elect to, or regulators, IRBs or ethics committees may require that we or our investigators, suspend or terminate clinical research or trials for various reasons, including noncompliance with regulatory requirements or a finding that participants are being exposed to unacceptable health risks;

- any of our product candidates could cause undesirable side effects that could result in significant negative consequences, including the inability to enter clinical development or receive regulatory approval;

- the cost of preclinical or nonclinical testing and studies and clinical trials of any product candidates may be greater than we anticipate;

- we may face hurdles in addressing subject safety concerns that arise during the course of a trial, causing us or our investigators, regulators, IRBs or ethics committees to suspend or terminate trials, or reports may arise from nonclinical or clinical testing of other cancer therapies that raise safety or efficacy concerns about our product candidates;

- the supply, quality or timeliness of delivery of materials for product candidates we develop or other materials necessary to conduct clinical trials may be insufficient or inadequate; and

- we may need to change the manufacturing site and potentially the CMO for our product candidates from those that are able to produce clinical supply for our Phase 1 clinical trials to those with the capacity and ability to perform commercial manufacturing and/or the production of clinical material for our later stage clinical trials.

We could encounter delays if a clinical trial is suspended or terminated by us, or by the IRBs of the institutions in which such trials are being conducted, ethics committees or the Data Safety Monitoring Board, or DSMB, for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our product candidates. The FDA or other regulatory authorities may change the requirements for approval even after they have reviewed and commented on the design for our clinical trials. Further, the FDA or other regulatory authorities may disagree with our clinical trial design and our interpretation of data from clinical trials. For example, we are conducting and may in the future conduct “open-label” clinical trials. An “open-label” clinical trial is one where both the patient and investigator know whether the patient is receiving the investigational product candidate or either an existing approved drug or placebo. Most typically, open-label clinical trials test only the investigational product candidate and sometimes may do so at different dose levels. Open-label clinical trials are subject to various limitations that may exaggerate any therapeutic effect as patients may be subject to a “patient bias” where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. Moreover, patients selected for early clinical studies often include the most severe sufferers and their symptoms may have been bound to improve notwithstanding the new treatment. In addition, open-label clinical trials may be subject to an “investigator bias” where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favorably given this knowledge.

Principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or a regulatory authority concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of the marketing application we submit. Any such delay or rejection could prevent or delay us from commercializing our current or future product candidates.

If we experience delays in the completion, or termination, of any clinical trial of our product candidates, including as a result of the COVID-19 pandemic, the commercial prospects of our product candidates will be harmed and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down the development and approval process for our product candidates and jeopardize our ability to commence product sales and generate revenues. Significant clinical trial delays could also allow our competitors to bring products to market before we do or shorten any periods during which we have the exclusive right to commercialize our product candidates.

Any such events would impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

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

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

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for biological products or modifications to approved biological products to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most foreign inspections of manufacturing facilities and products, and subsequently, on March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns prevents the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business. For example, on April 16, 2020, the FDA announced that it was continuing to meet key review program user fee performance goals, approve applications and communicate with applicants. However, the FDA noted that it may not be able to sustain its current level of performance indefinitely during the COVID-19 pandemic. If the FDA becomes unable to continue its current level of performance, we could experience delays and setbacks for our product candidates and for any approvals we may seek which could adversely affect our business.

Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these programs on a timely basis or at all.

With the exception of CTX-471, all of our product candidates are still in the preclinical stage, and the risk of failure for such product candidates is high. In order to obtain FDA approval to market a new biologic we must demonstrate proof of safety, purity and potency, including efficacy, in humans. To meet these requirements we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our planned clinical trials in humans. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our current or future product candidates. As a result, we cannot be sure that we will be able to submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin.

Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time of such testing may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Delays associated with programs for which we are conducting preclinical testing and studies may cause us to incur additional operating expenses. The commencement and rate of completion of preclinical studies and clinical trials for a product candidate may be delayed by many factors, including but not limited to:

- an inability to generate sufficient preclinical or other *in vivo* or *in vitro* data to support the initiation of clinical studies;
- delays in reaching a consensus with regulatory agencies on study design;
- any setbacks or delays on account of the COVID-19 pandemic; and
- the FDA or foreign regulatory authorities not permitting the reliance on preclinical or other data from published scientific literature.

Positive results from preclinical studies and early-stage clinical trials may not be predictive of future results. Initial positive results in any of our clinical trials may not be indicative of results obtained when the trial is completed or in later stage trials.

The results of preclinical studies may not be predictive of the results of clinical trials. Preclinical studies and early-stage clinical trials are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics and to understand the side effects of product candidates at various doses and schedules, and the results of any early-stage clinical trials may not be predictive of the results of later-stage, large-scale efficacy clinical trials. In addition, initial success in clinical trials may not be indicative of results obtained when such trials are completed. There can be no assurance that any of our current or future clinical trials will ultimately be successful or support further clinical development of any of our product candidates. There is a high failure rate for drugs and biological products proceeding through clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies, and any such setbacks in our clinical development could have a material adverse effect on our business and operating results.

Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval for our product candidates. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, the results of our preclinical studies may not be predictive of the results of outcomes in human clinical trials. For example, our current or future product candidates may demonstrate different chemical, biological and pharmacological properties in patients than they do in laboratory studies or may interact with human biological systems in unforeseen or harmful ways. Product candidates in later stages of clinical trials may fail to show desired pharmacological properties or produce the necessary safety and efficacy results despite having progressed through preclinical studies and initial clinical trials. Even if we are able to initiate and complete clinical trials, the results may not be sufficient to obtain regulatory approval for our product candidates. In addition, we may experience regulatory delays or rejections as a result of many factors, including changes in regulatory policy during the period of our product candidate development. Any such delays could negatively impact our business, financial condition, results of operations and prospects.

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

From time to time, we may publish interim data, including interim top-line results or preliminary results from our clinical trials. Interim data and results from our clinical trials are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or top-line results also remain subject to audit, validation and verification procedures that may result in the final data being materially different from the interim and preliminary data we previously published. As a result, interim and preliminary data may not be predictive of final results and should be viewed with caution until the final data are available. Differences between preliminary or interim data and final data could significantly harm our business prospects and may cause the trading price of our common stock to fluctuate significantly.

Our approach to the discovery and development of product candidates using our NKp30 platform is unproven and may not result in marketable products.

The success of our business depends in part upon our ability to identify targets based on our proprietary NKp30 platform and to develop and commercialize therapeutic antibodies. Our approach to the discovery of targets using the NKp30 platform is novel. We have not yet completed a clinical trial of any product candidate developed for a target identified from the NKp30 platform. Even if we are able to identify targets from the NKp30 platform and to develop corresponding product candidates, we cannot assure that such product candidates will achieve marketing approval to safely and effectively treat the indications we target.

NKp30 is a novel target for drug development. No therapeutic targeting NKp30 has ever been approved, and to our knowledge no drug targeting NKp30 has ever been tested in humans.

If we uncover any previously unknown risks related to our NKp30 platform, or if we experience unanticipated problems or delays in developing our NKp30 product candidates, we may be unable to achieve our strategy of building a platform of NKp30 innate cell engagers for oncology and autoimmune disease.

Our agonist monoclonal antibody product candidates are a new potential class of therapeutics, which makes it difficult to predict the time and cost of development and of subsequently obtaining regulatory approval, if at all.

Our agonist monoclonal antibody technology is relatively new and no agonist monoclonal antibodies to any target have been approved to date. As such it is difficult to accurately predict the developmental challenges we may incur for our product candidates as they proceed through product discovery or identification, preclinical studies and clinical trials. In addition, because we have not completed clinical trials, we have not yet been able to meaningfully assess safety in humans, and there may be short-term or long-term effects from treatment with any product candidates that we develop that we cannot predict at this time. Also, animal models may not exist for some of the diseases we choose to pursue in our programs. Furthermore, agonist antibodies have demonstrated substantial toxicity in humans and there is no assurance that our product candidates will not have the same adverse side effects. 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 antibody therapeutics and our bispecifics, or any similar or competitive technologies, will result in the identification, development, and regulatory approval of any products. There can be no assurance that any development problems we experience in the future related to our agonist antibodies or any of our research programs will not cause significant delays or unanticipated costs, or that such development problems can be solved. 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.

The clinical trial requirements of the FDA, the EMA and other regulatory authorities and the criteria these regulators use to determine the safety and efficacy of a product candidate vary substantially according to the type, complexity, novelty and intended use and market of the product candidate. No products based on agonist antibodies have been approved to date by regulators. As a result, the regulatory approval process for product candidates such as ours is uncertain and may be more expensive and take longer than the approval process for product candidates based on other, better known or more extensively studied technologies. It is difficult to determine how long it will take or how much it will cost to obtain regulatory approvals for our product candidates in either the United States or the European Union or other regions of the world or how long it will take to commercialize our product candidates. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring a potential product candidate to market could decrease our ability to generate sufficient product revenue, and our business, financial condition, results of operations and prospects may be harmed.

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

Before obtaining regulatory approvals for the commercial sale of our product candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that our product candidates are safe, pure and potent for use in each target indication, and failures can occur at any stage of testing. As with most biological products, use of our current or future product candidates could be associated with side effects or adverse events which can vary in severity from minor reactions to death and in frequency from infrequent to prevalent. There have been serious adverse side effects reported in response to antibody therapeutics and bispecifics in oncology.

Immuno-oncology drugs have been observed to cause side effects, generally related to over activation of the immune system. These include colitis, diabetes, pituitary inflammation, thyroiditis, myocarditis, liver inflammation, thrombocytopenia, among others. Our immune-oncology product candidates, including our lead candidate, CTX-471, may have similar or additional side effects. As of May 24, 2020, 19 patients have been enrolled in our ongoing Phase 1 clinical trial of CTX-471 and received at least one dose of CTX-471. There have been six serious adverse events reported, two of which in two patients were considered treatment-related. The two treatment-related serious adverse events are hypoxia, which resolved, and thrombocytopenia purpura that also resolved. Two dose-limiting toxicities of immune-related thrombocytopenia have been reported. In addition to any potential side effects caused by the product or product candidate, the administration process or related procedures also can cause adverse side effects. If unacceptable adverse events occur, our clinical trials or any future marketing authorization could be suspended or terminated.

We are developing CTX-8371 as potential a bispecific antibody that simultaneously targets both PD-1 and PD-L1, the targets of well-known and widely used checkpoint inhibitor antibodies. While we have observed so far in preclinical testing that simultaneous targeting of both PD-1 and PD-L1 has been associated with less toxicity than targeting either PD-1 alone or PD-L1 alone, there can be no assurance that CTX-8371 will not demonstrate unacceptable toxicities in later testing that may render it unsafe or intolerable.

If unacceptable side effects arise in the development of our product candidates, we, the FDA, the IRBs at the institutions in which our studies are conducted or the DSMB could suspend or terminate our clinical trials or the FDA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete any of our clinical trials or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We expect to have to train medical personnel using our product candidates to understand the side effect profiles for our clinical trials and upon any commercialization of any of our product candidates. Inadequate training in recognizing or managing the potential side effects of our product candidates could result in patient injury or death. Any of these occurrences may harm our business, financial condition and prospects significantly.

Although our current and future product candidates have undergone and will undergo safety testing to the extent possible and, where applicable, under such conditions discussed with regulatory authorities, not all adverse effects of drugs can be predicted or anticipated. Antibody therapeutics and bispecifics and their method of action of harnessing the body’s immune system are powerful and could lead to serious side effects that we only discover in clinical trials or during commercial marketing. Unforeseen side effects could arise either during clinical development or after our product candidates have been approved by regulatory authorities and the approved product has been marketed, resulting in the exposure of additional patients. So far, we have not demonstrated that CTX-471, CTX-8371, CTX-8573 or any other product candidate is safe in humans, and we cannot predict if ongoing or future clinical trials will do so. If any of our current or future product candidates fail to demonstrate safety and efficacy in clinical trials or do not gain marketing approval, we will not be able to generate revenue and our business will be harmed.

In addition, we intend to pursue CTX-471 in part in combination with other therapies and may develop CTX-8371, CTX-8573 and future product candidates in combination with other therapies, which exposes us to additional risks relating to undesirable side effects or other properties. For example, the other therapies may lead to toxicities that are improperly attributed to our product candidates or the combination of our product candidates with other therapies may result in toxicities that the product candidate or other therapy does not produce when used alone. The other therapies we are using in combination may be removed from the market, or we may not be able to secure adequate quantities of such materials for which we have no guaranteed supply contract, and thus be unavailable for testing or commercial use with any of our approved products. The other therapies we may use in combination with our product candidates may also be supplanted in the market by newer, safer or more efficacious products or combinations of products.

Even if we successfully advance one of our product candidates through clinical trials, such trials will likely only include a limited number of subjects and limited duration of exposure to our product candidates. As a result, we cannot be assured that adverse effects of our product candidates will not be uncovered when a significantly larger number of patients are exposed to the product candidate. Further, any clinical trial may not be sufficient to determine the effect and safety consequences of taking our product candidates over a multi-year period.

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

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

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and result in the loss of significant revenues, which would materially harm our business. In addition, if one or more of our product candidates or our antibody therapeutic development approach generally prove to be unsafe, our entire technology platform and pipeline could be affected, which would also materially harm our business.

As an organization, we have limited experience designing and implementing clinical trials and we have never conducted pivotal clinical trials. Failure to adequately design a trial, or incorrect assumptions about the design of the trial, could adversely affect the ability to initiate the trial, enroll patients, complete the trial, or obtain regulatory approval on the basis of the trial results, as well as lead to increased or unexpected costs and in delayed timelines.

The design and implementation of clinical trials is a complex process. We have limited experience designing and implementing clinical trials, and we may not successfully or cost-effectively design and implement clinical trials that achieve our desired clinical endpoints efficiently, or at all. A clinical trial that is not well designed may delay or even prevent initiation of the trial, can lead to increased difficulty in enrolling patients, may make it more difficult to obtain regulatory approval for the product candidate on the basis of the study results, or, even if a product candidate is approved, could make it more difficult to commercialize the product successfully or obtain reimbursement from third-party payors. Additionally, a trial that is not well-designed could be inefficient or more expensive than it otherwise would have been, or we may incorrectly estimate the costs to implement the clinical trial, which could lead to a shortfall in funding. We also expect to continue to rely on third parties to conduct our clinical trials. See "*—Risks Related to Reliance on Third Parties—We rely or will rely on third parties to help conduct our ongoing and planned preclinical studies and clinical trials for CTX-471, CTX-8371, CTX-8573 and any future product candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize CTX-471, CTX-8371, CTX-8573 and any current or future product candidates we develop and our business could be materially harmed*." Consequently, we may be unable to successfully and efficiently execute and complete clinical trials that are required for BLA submission and FDA approval of CTX-471, CTX-8371, CTX-8573 or current or future product candidates. We may require more time and incur greater costs than our competitors and may not succeed in obtaining regulatory approvals of product candidates that we develop.

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

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

- the patient eligibility criteria defined in the protocol;
- the nature and size of the patient population required for analysis of the trial's primary endpoints and the process for identifying patients;
- the number and location of participating clinical sites or patients;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages and risks of the product candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- the availability of competing commercially available therapies and other competing drug candidates' clinical trials;
- our ability to obtain and maintain patient informed consents for participation in our clinical trials;
- the impact of the COVID-19 pandemic or future pandemics or similar events on patients' willingness and ability to participate in clinical trials or on study site policies; and
- the risk that patients enrolled in clinical trials will drop out of the trials before completion or, because they may be late-stage cancer patients, will not survive the full terms of the clinical trials.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our current and potential future product candidates. This competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such sites. Moreover, because our current and potential future product candidates may represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy, rather than enroll patients in our ongoing or any future clinical trial. Additionally, the recent COVID-19 pandemic may have an impact on our ability to recruit and follow-up with patients either due to continued or renewed restrictions on travel or shelter-in-place orders or policies, or due to changes in patient willingness to participate in trials or travel to study sites in the wake of the pandemic. Additionally, COVID-19 related study site policies may create delays or setbacks in our ability to continue to enroll or to dose patients.

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

Because the number of subjects in our Phase 1 clinical trial of CTX-471 is small, the results from this trial, once completed, may be less reliable than results achieved in larger clinical trials.

A study design that is considered appropriate includes a sufficiently large sample size with appropriate statistical power, as well as proper control of bias, to allow a meaningful interpretation of the results. The preliminary results of studies with smaller sample sizes and heterogeneous patient populations, such as our ongoing Phase 1 clinical trial of CTX-471, can be disproportionately influenced by the impact the treatment had on a few individuals, which limits the ability to generalize the results across a broader community, thus making the study results less reliable than studies with a larger number of subjects and with more homogeneous patient populations. As a result, there may be less certainty that CTX-471 would achieve a statistically significant effect in any future clinical trials. If we conduct any future clinical trials of CTX-471, we may not achieve a statistically significant result or the same level of statistical significance seen, if any, in our Phase 1 clinical trial. Similarly, if we conduct a clinical trial of any other product candidate we develop, including CTX-471, with a smaller sample size, the results of any such trial may be less reliable than results achieved in larger clinical trials and may provide less certainty of achieving statistically significant effects in any future clinical trials.

We may be required to suspend, repeat or terminate our clinical trials if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the trials are not well designed.

Clinical trials must be conducted in accordance with the FDA's current good clinical practices requirements, or cGCP, or analogous requirements of applicable foreign regulatory authorities. Clinical trials are subject to oversight by the FDA, other foreign governmental agencies and IRBs or ethical committees at the study sites where the clinical trials are conducted. In addition, clinical trials must be conducted with product candidates manufactured in accordance with applicable cGMP. Clinical trials may be suspended by the FDA, other foreign regulatory authorities, us, or by an IRB or ethics committee with respect to a particular clinical trial site, for various reasons, including:

- deficiencies in the conduct of the clinical trials, including failure to conduct the clinical trial in accordance with regulatory requirements or study protocols;
- deficiencies in the clinical trial operations or trial sites;
- unforeseen adverse side effects or the emergence of undue risks to study subjects;
- deficiencies in the trial design necessary to demonstrate efficacy;
- the product candidate may not appear to offer benefits over current therapies; or
- the quality or stability of the product candidate may fall below acceptable standards.

We have chosen to prioritize development of CTX-471, CTX-8371 and CTX-8573. We may expend our limited resources on product candidates or indications that do not yield a successful product and fail to capitalize on other candidates or indications for which there may be a greater likelihood of success or may be more profitable.

Because we have limited resources, we have strategically determined to prioritize development of CTX-471, CTX-8371 and CTX-8573 rather than other product candidates based, in part, on the significant resources required for developing and manufacturing antibody therapeutics and bispecifics. To date, no regulatory authority has granted approval for an antibody therapeutic targeting CD137, also known as 4-1BB, as well as the target of CTX-471. Of note, several drugs targeting CD137 have been tested in early stage clinical trials. At least one of these drugs had severe side effects. It is possible that CTX-471 may have similar adverse effects, including toxicity, in humans. In addition, no drug targeting NKp30 has ever been tested in humans, so the effects and safety profile of CTX-8573 is unpredictable. As a result, we may be foregoing other potentially more profitable antibody therapies or drugs with a greater likelihood of success. Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular product candidates or therapeutic areas may not lead to the development of any viable commercial product and may divert resources away from better opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties with respect to certain programs may subsequently also prove to be suboptimal and could cause us to miss valuable opportunities. If we make incorrect determinations regarding the viability or market potential of any of our current or future product candidates or misread trends in the oncology, autoimmunology or biopharmaceutical industry, our business, financial condition and results of operations could be materially adversely affected. As a result, we may fail to capitalize on viable commercial products or profitable market opportunities, be required to forego or delay pursuit of opportunities with other product candidates or other diseases and disease pathways that may later prove to have greater commercial potential than those we choose to pursue, or relinquish valuable rights to such product candidates through collaboration, licensing or other royalty arrangements in cases in which it would have been advantageous for us to invest additional resources to retain development and commercialization rights.

We intend to develop CTX-471 in part in combination with other therapies and may develop CTX-8371, CTX-8573 and future product candidates in combination with other therapies, which exposes us to additional regulatory risks.

We intend to develop CTX-471 in part in combination with other therapies, such as trastuzumab, and may develop CTX-8371, CTX-8573 and future product candidates in combination with one or more currently approved cancer therapies. These combinations have not been previously tested in the clinic and may, among other things, fail to demonstrate synergistic activity, may fail to achieve superior outcomes relative to the use of single agents or other combination therapies, or may fail to demonstrate sufficient safety or efficacy traits in clinical trials to enable us to complete those clinical trials or obtain marketing approval for the combination therapy.

In addition, we did not develop or obtain regulatory approval for, and we do not manufacture or sell, any of these approved therapeutics. Therefore, even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risk that the FDA or comparable foreign regulatory authorities could revoke approval of the therapy used in combination with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. This could result in our own products being removed from the market or being less successful commercially. Combination therapies are commonly used for the treatment of cancer diseases, and we would be subject to similar risks if we develop any of our product candidates for use in combination with other drugs or for indications other than cancer.

We may also evaluate CTX-471, CTX-8371, CTX-8573 or any future product candidate in combination with one or more other cancer therapies that have not yet been approved for marketing by the FDA or comparable foreign regulatory authorities. We will not be able to market and sell CTX-471, CTX-8371, CTX-8573 or any product candidate we develop in combination with any such unapproved cancer therapies that do not ultimately obtain marketing approval.

If the FDA or comparable foreign regulatory authorities do not approve these other biological products or revoke their approval of, or if safety, efficacy, manufacturing or supply issues arise with, the biological products we choose to evaluate in combination with CTX-471, CTX-8371, CTX-8573 or any product candidate we develop, we may be unable to obtain approval of or market any such product candidate.

Risks Related to the Regulatory Approval and Commercialization of Product Candidates and Other Legal Compliance Matters

We may be unable to obtain FDA approval of our product candidates under applicable regulatory requirements. The denial or delay of any such approval would prevent or delay commercialization of our product candidates and adversely impact our potential to generate revenue, our business and our results of operations.

To gain approval to market our product candidates in the United States, we must provide the FDA with clinical data that adequately demonstrate the safety, purity and potency, including efficacy, of the product candidate for the proposed indication or indications in a BLA submission. Product development is a long, expensive and uncertain process, and delay or failure can occur at any stage of any of our clinical development programs. A number of companies in the biotechnology and pharmaceutical industries have suffered significant setbacks in clinical trials, even after promising results in earlier preclinical studies or clinical trials. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway and safety or efficacy observations made in clinical trials, including previously unreported adverse events. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and the results of clinical trials by other parties may not be indicative of the results in trials we may conduct.

We have not previously submitted a BLA or any other marketing application to the FDA or similar filings to comparable foreign regulatory authorities. A BLA or other similar regulatory filing requesting approval to market a product candidate must include extensive preclinical and clinical data and supporting information to establish that the product candidate is safe, pure and potent for each desired indication. The BLA or other similar regulatory filing must also include significant information regarding the chemistry, manufacturing and controls for the product.

The research, testing, manufacturing, labeling, approval, marketing, sale and distribution of biological products are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, and such regulations differ from country to country. We are not permitted to market our product candidates in the United States or in any foreign countries until they receive the requisite approval from the applicable regulatory authorities of such jurisdictions.

The FDA or comparable foreign regulatory authorities can delay, limit or deny approval of our product candidates for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or a comparable foreign regulatory authority that our product candidates are safe and effective for the requested indication;
- the FDA or a comparable foreign regulatory authority’s disagreement with our trial protocol or the interpretation of data from preclinical studies or clinical trials;
- our inability to demonstrate that the clinical and other benefits of our product candidates outweigh any safety or other perceived risks;
- the FDA or a comparable foreign regulatory authority’s requirement for additional preclinical studies or clinical trials;
- the FDA or a comparable foreign regulatory authority’s non-approval of the formulation, labeling, or specifications of our product candidates;
- the FDA or a comparable regulatory authority’s failure to approve our manufacturing processes and facilities or the manufacturing processes and facilities of third-party manufacturers upon which we rely; or
- potential for approval policies or regulations of the FDA or a comparable foreign regulatory authority to significantly change in a manner rendering our clinical data insufficient for approval.

Even if we eventually complete clinical testing and receive approval from the FDA or comparable foreign regulatory authorities for any of our product candidates, the FDA or comparable foreign regulatory authorities may grant approval contingent on the performance of costly additional clinical trials which may be required after approval. The FDA or comparable foreign regulatory authorities also may approve any of our product candidates for a more limited indication or a narrower patient population than we originally requested, and the FDA or comparable foreign regulatory authorities may not approve any of our product candidates with the labeling that we believe is necessary or desirable for the successful commercialization of any such product candidates.

Of the large number of biopharmaceutical products in development, only a small percentage successfully complete the FDA or other regulatory bodies' approval processes and are commercialized. Any delay in obtaining, or inability to obtain, applicable regulatory approval would delay or prevent commercialization of our product candidates and would materially harm our business.

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

If any current or future product candidate we develop receives marketing approval, whether as a single agent or in combination with other therapies, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. For example, current approved antibody therapeutics, and other cancer treatments like chemotherapy and radiation therapy, are well established in the medical community, and doctors may continue to rely on these therapies. Our approach to targeting different components of the tumor microenvironment is novel and unproven. For example, NKp30 is a novel target for drug development, and no therapeutic targeting NKp30 has ever been approved nor, to our knowledge, has any drug targeting NKp30 ever been tested in humans. In addition, adverse events in clinical trials testing our product candidates or in clinical trials of others developing similar product candidates and the resulting publicity, as well as any other adverse events in the field of immuno-oncology that may occur in the future, could result in a decrease in demand for our current or future product candidates. Furthermore, to date, only a few bispecific products have received marketing approval and only a few have advanced to late-stage clinical development. Future adverse events in immuno-oncology or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products. Similarly, the use of agonist antibodies for the treatment of autoimmune diseases is novel and there can be no assurance that our product candidates for the treatment of autoimmune diseases, if approved, would gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community.

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

- efficacy and potential advantages compared to alternative treatments, including those that are not yet approved;
- the ability to offer our products, if approved, for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing, sales and distribution support;
- the ability to obtain sufficient third-party coverage and adequate reimbursement, including with respect to the use of the approved product as a combination therapy; and
- the prevalence and severity of any side effects.

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

Any revenue we are able to generate in the future from product sales will be dependent, in part, upon the size of the market in the United States and any other jurisdiction for which we gain regulatory approval and have commercial rights. If the markets or patient subsets that we are targeting are not as significant as we estimate, we may not generate significant revenues from sales of such products, even if approved.

Cancer therapies are sometimes characterized as first-line, second-line or third-line, and the FDA often approves new therapies initially only for third-line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, surgery, radiation therapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. The number of patients who receive second- and third-line treatment is significantly smaller than the number of patients who receive first-line treatment, and the prognosis of patients who receive second- or third-line treatment is often poorer than that of patients who receive first-line treatment.

We may initially seek approval for CTX-471, CTX-8371, CTX-8573 and any other product candidates we develop as second- or third-line therapies. If we do so, for those products that prove to be sufficiently beneficial, if any, we would expect potentially to seek approval as a first-line therapy, but there is no guarantee that any product candidate we develop, even if approved, would be approved for first-line therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

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

Even if we receive marketing approval of a product candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. If we fail to comply or experience unanticipated problems with our products, we may be subject to administrative and judicial enforcement, including monetary penalties, for non-compliance and our approved products, if any, could be deemed misbranded or adulterated and prohibited from continued distribution.

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

- suspension of, or imposition of restrictions on, the marketing or manufacturing of the product, withdrawal of the product from the market, or product recalls;
- Warning Letters or Untitled Letters, or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications we file, or suspension or revocation of approved biologics licenses;
- product seizure or detention, monetary penalties, refusal to permit the import or export of the product, or placement on Import Alert; and
- permanent injunctions and consent decrees including the imposition of civil or criminal penalties.

Given the nature of biological products manufacturing, there is a risk of contamination. Any contamination could materially adversely affect our ability to produce product candidates on schedule and could, therefore, harm our results of operations and cause reputational damage. Some of the raw materials and other components required in our manufacturing process are derived from biologic sources. Such raw materials are difficult to procure and may be subject to contamination or recall. A material shortage, contamination, recall or restriction on the use of biologically derived substances in the manufacture of our product or product candidates could adversely impact or disrupt the commercial manufacturing or the production of clinical material, which could materially and adversely affect our development and commercialization timelines and our business, financial condition, results of operations and prospects and could adversely affect our ability to meet our supply obligations.

Moreover, the FDA strictly regulates the promotional claims that may be made about drug and biological products. In particular, an approved product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling, or off-label uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. The FDA has issued guidance on the factors that it will consider in determining whether a firm's product communication is consistent with the FDA-required labeling for that product, and those factors contain complexity and potential for overlap and misinterpretation. A company that is found to have improperly promoted off-label uses of their products may be subject to significant civil, criminal and administrative penalties.

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

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

Certain policies of the Trump Administration may impact our business and industry. President Trump has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, the FDA's ability to engage in routine oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict how these orders will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose restrictions on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

In addition, if we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

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

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

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

We depend on our information technology systems, and any failure of these systems could harm our business. Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business, results of operations and financial condition.

We collect and maintain information in digital form that is necessary to conduct our business, and we are dependent on our information technology systems and those of third parties to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information, and data to comply with cGMP and data integrity requirements. It is critical that we do so in a secure manner to maintain data security and data integrity of such information. We have established physical, electronic and organizational measures to safeguard and secure our systems to prevent a data compromise. We have also outsourced elements of our information technology infrastructure, and as a result a number of third-party vendors may or could have access to our confidential information. Our internal information technology systems and infrastructure, and those of our current and any future collaborators, contractors and consultants and other third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions, phishing, persons inside our organization or persons with access to systems inside our organization.

The risk of a security breach or disruption or data loss, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. In addition, the prevalent use of mobile devices that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information or other intellectual property. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information technology systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service and other harm to our business and our competitive position. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. Moreover, if a computer security breach affects our systems or results in the unauthorized release of personally identifiable information, our reputation could be materially damaged. In addition, such a breach may require notification to governmental agencies, the media or individuals pursuant to various federal and state privacy and security laws, if applicable, including the Health Insurance Portability and Accountability Act of 1996, as amended, or HIPAA, and its implementing rules and regulations, as well as regulations promulgated by the Federal Trade Commission and state breach notification laws. We would also be exposed to a risk of loss or litigation and potential liability, which could materially adversely affect our business, results of operations and financial condition.

The successful commercialization of our product candidates will depend in part on the extent to which third-party payors, including governmental authorities and private health insurers, provide coverage and adequate reimbursement levels, as well as implement pricing policies favorable for our product candidates. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate revenue.

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. The availability of coverage and adequacy of reimbursement by third-party payors, including government healthcare programs (e.g., Medicare, Medicaid), managed care providers, private health insurers, health maintenance organizations, and other organizations is essential for most patients to be able to afford medical services and pharmaceutical products such as our product candidates. 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 antibody-based 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 and 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, whether as a single agent or combination therapy, will depend in part on the extent to which coverage and adequate reimbursement for our products and related treatments will be available from third-party payors, including government healthcare programs (e.g., Medicare, Medicaid), managed care providers, private health insurers, health maintenance organizations, and other organizations. Moreover, a payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. If coverage and adequate reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment. Further, due to the COVID-19 pandemic, millions of individuals have lost/will be losing employer-based insurance coverage, which may adversely affect our ability to commercialize our products.

No uniform policy for coverage and reimbursement for products exist among third-party payors in the United States. Therefore, coverage and reimbursement for drug products 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 that the payor will pay for the product. One payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor. Third-party payors may also limit coverage to specific products on an approved list, or formulary, which might not include all of the FDA-approved products for a particular indication.

A decision by a third-party payor not to cover or not to separately reimburse for our products or procedures using our products could reduce physician utilization of our products once approved. Assuming there is coverage for our product candidates, or procedures using our product candidates by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. We cannot be sure that coverage and reimbursement in the United States, will be available for our current or future product candidates, or for any procedures using such product candidates, and any reimbursement that may become available may not be adequate or may be decreased or eliminated in the future. Further, if we or our collaborators develop companion diagnostic tests for use with our product candidates, we, or our collaborators, will be required to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we seek for our product candidates, once approved.

Further, increasing efforts by third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our product candidates. 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. Our product candidates may nonetheless 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 the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its 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. We expect to experience pricing pressures from third-party payors in connection with the potential sale of any of our product candidates.

Lastly, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, in the European Union Member States can restrict the range of medicinal products for which their national health insurance systems provide reimbursement and they 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 Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Approaches between Member States are diverging. For example, in France, effective market access will be supported by agreements with hospitals and products may be reimbursed by the Social Security Fund. The price of medicines is negotiated with the Economic Committee for Health Products, or CEPS. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, products launched in the European Union do not follow price structures of the United States and generally prices tend to be significantly lower.

Therefore, coverage and reimbursement for products can differ significantly from payor to payor.

Enacted healthcare legislation, changes in healthcare law and implementation of regulations, as well as changes in healthcare policy, may increase the difficulty and cost for us to commercialize our product candidates, may impact our business in ways that we cannot currently predict, could affect the prices we may set, and could have a material adverse effect on our business and financial condition.

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 regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering 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 of 2010, or, collectively, the ACA, was passed, which substantially changes the way healthcare is financed by both governmental and private insurers, and significantly impacts the U.S. pharmaceutical industry. The ACA, among other things, 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 the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program, 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, as a condition of coverage of its products under Medicare Part D, manufacturers must now agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, or BBA, effective as of 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Various portions of the ACA are currently undergoing legal and constitutional challenges in the United States Supreme Court; the Trump Administration has issued various Executive Orders which eliminated 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. Also, in December 2018, the Centers for Medicare and Medicaid Services, or CMS, issued a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program. 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, on August 2, 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030 unless additional congressional action is taken. However, the Medicare sequester reductions under the BCA 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 types of providers, including hospitals and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Additionally, the BBA, among other things, amended the ACA, effective January 1, 2019, to increase the point-of-sale discount (from 50% under the ACA to 70%) that is owed by pharmaceutical manufacturers who participate in Medicare Part D and, closed 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 proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare and reform government program reimbursement methodologies for drug 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, he 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 drug products paid by consumers. HHS has started soliciting feedback on some of these measures and, at the same, is 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. Although a number of these and other proposed measures may require additional authorization to become effective, Congress and the Trump Administration have each indicated that they will continue to seek new legislative and/or administrative measures to control drug costs.

At the state level, legislatures are increasingly passing legislation and implementing regulations designed to control pharmaceutical 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. Legally mandated price controls on payment amounts by third-party payors or other restrictions on coverage or access could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare 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 healthcare programs. This could reduce the ultimate demand for our product candidates that we successfully commercialize 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 extent to which state and federal governments cover particular healthcare products and services and could limit the amounts that the federal and state governments will pay for healthcare products and services. This could result in reduced demand for any product candidate or complementary or companion diagnostics we develop or could result in 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.

Our relationships with customers, third-party payors and others may be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare providers, third-party payors, customers, and others may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, which may constrain the business or financial arrangements and relationships through which we research, as well as, sell, market and distribute any products for which we obtain marketing approval.

The applicable federal and state healthcare laws and regulations that may affect our ability to operate include, but are not limited to:

- The federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service for which payment may be made, in whole or in part, under the Medicare and Medicaid programs or other federal healthcare programs. A person or entity can be found guilty of violating the statute without actual knowledge of the statute or specific intent to violate it. The term remuneration has been interpreted broadly to include anything of value. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers, among others, on the other. A person or entity need not have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation. Violations are subject to significant civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. In addition, a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act, or FCA;

- The federal civil and criminal false claims laws and civil monetary penalty laws, including the FCA, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment of government funds that are false or fraudulent, or knowingly making, or using or causing to be made or used, a false record or statement material to a false, fictitious, or fraudulent claim or obligation to pay or transmit money or property to the federal government, or to knowingly avoid, decrease, or conceal an obligation to pay money to the federal government. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims. Private individuals, commonly known as “whistleblowers”, can bring FCA qui tam actions, on behalf of the federal government and such individuals and may share in amounts paid by the entity to the government in recovery or settlement.;

- The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which prohibits knowingly and willfully executing a scheme, or attempting to execute a scheme, to defraud any healthcare benefit program, including private third-party payors 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, and further prohibits knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false, fictitious or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false fictitious or fraudulent statement or entry 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 can be found guilty of violating the HIPAA fraud provisions without actual knowledge of the statutes or specific intent to violate them;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, imposes, among other things, certain requirements relating to the privacy, security and transmission of individually identifiable health information on covered entities and their business associates, those independent contractors or agents of covered entities that create, receive, maintain, transmit or obtain protected health information in connection with providing a service on behalf of a covered entity. . HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorneys' fees and costs associated with pursuing federal civil actions. In addition, there may be additional federal, state and non-U.S. laws which govern the privacy and security of health and other personal information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts;

- The federal Physician Payments Sunshine Act, being implemented as the Open Payments Program, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to direct or indirect payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held in a company 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; and

- Analogous U.S. state and local laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payors, including private insurers; 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 pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs; state laws that require drug manufacturers to report information related to clinical trials, or information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state laws that require drug manufacturers to report information on the pricing of certain drugs; state laws and local ordinances that require identification or licensing of sales representatives; 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 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 the laws described above or any other government regulations that apply to us, we may be subject to significant sanctions, including civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, reputational harm, exclusion from participation in federal and state funded healthcare programs, contractual damages and the curtailment or restricting of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws. Further, if the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to similar penalties. In addition, the approval and commercialization of any product candidate we develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws. All of these could harm our ability to operate our business and our financial results.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. 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 or reporting requirements increases the possibility that a healthcare company may run afoul of one or more of the requirements.

European data collection is governed by restrictive regulations governing the use, processing and cross-border transfer of personal information.

In the event we decide to conduct clinical trials or enroll subjects in our future clinical trials, we may be subject to additional privacy restrictions. The collection, use, storage, disclosure, transfer, or other processing of personal data regarding individuals in the European Economic Area, or EEA, including personal health data, is subject to the EU General Data Protection Regulation, or GDPR, which became effective on May 25, 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA, including the United States, and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global revenues, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. In addition, the GDPR includes restrictions on cross-border data transfers. The GDPR may increase our responsibility and liability in relation to personal data that we process where such processing is subject to the GDPR, and we may be required to put in place additional mechanisms to ensure compliance with the GDPR, including as implemented by individual countries. Compliance with the GDPR will be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with our European activities. Further, the United Kingdom's decision to leave the EU, often referred to as Brexit, has created uncertainty with regard to data protection regulation in the United Kingdom. In particular, it is unclear how data transfers to and from the United Kingdom will be regulated now that the United Kingdom has left the EU.

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, or, collectively, 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.

Our business is heavily regulated and therefore involves significant interaction with public officials. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We also expect our non-U.S. activities to increase in time. Additionally, in many other countries, the healthcare providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the U.S. Foreign Corrupt Practices Act of 1977, as amended, or FCPA. We plan to engage third parties for clinical trials and/or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals and we can be held liable for the corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities. In particular, our operations will be subject to FCPA, which prohibits, among other things, U.S. companies and their employees and agents from authorizing, promising, offering, or providing, directly or indirectly, corrupt or improper payments or anything else of value to foreign government officials, employees of public international organizations and foreign government-owned or affiliated entities, candidates for foreign political office, and foreign political parties or officials thereof. Recently, the SEC and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents, suppliers, manufacturers, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of facilities, including those of our suppliers and manufacturers, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs and prohibitions on the conduct of our business. Any such violations could also result in prohibitions on our ability to offer our products in one or more countries as well as difficulties in manufacturing or continuing to develop our products, and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees and our business, prospects, operating results and financial condition.

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 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 or hazardous materials.

Risks Related to Manufacturing

The loss of our third-party manufacturing partners or our, or our partners', failure to comply with applicable regulatory requirements or to supply sufficient quantities at acceptable quality levels or prices, or at all, would materially and adversely affect our business.

We have contracted with qualified third-party contract manufacturing organizations, or CMOs, to manufacture our product candidates for preclinical and clinical trials. If approved, commercial supply of CTX-471, CTX-8371, CTX-8573 and any future product candidates may also be manufactured at one or more CMOs.

The facilities used by our CMOs to manufacture our product candidates are subject to various regulatory requirements and may be subject to the inspection of the FDA or other regulatory authorities. We do not control the manufacturing process at our CMOs, and are completely dependent on them for compliance with current regulatory requirements. If we or our CMOs cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or comparable regulatory authorities in foreign jurisdictions, we may not be able to rely on their manufacturing facilities for the manufacture of elements of our product candidates. In addition, we have limited control over the ability of our CMOs to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority finds our facilities or those of our CMOs inadequate for the manufacture of our product candidates or if such facilities are subject to enforcement action in the future or are otherwise inadequate, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates.

Additionally, our CMOs may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments or on account of global pandemics or similar events, including the COVID-19 pandemic. If our CMOs were to encounter any of these difficulties, our ability to provide our product candidate to patients in clinical trials, or to provide product for the treatment of patients once approved, would be jeopardized.

Changes in methods of product candidate manufacturing or formulation may result in additional costs or delay.

As product candidates proceed through preclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize processes and results. In addition, we will likely need to change our CMO for CTX-471 manufacturing to one that can support commercial-scale manufacturing. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the materials manufactured using altered processes. Such changes may also require additional testing, FDA notification or FDA approval. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability to commence sales and generate revenue.

We are subject to multiple manufacturing risks, any of which could substantially increase our costs and limit supply of our product candidates.

The process of manufacturing antibody therapeutics and bispecifics, including our product candidates, is complex, time-consuming, highly regulated and subject to several risks, including:

- product loss during the manufacturing process, including loss caused by contamination, equipment failure or improper installation or operation of equipment, or operator error. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our products or in the manufacturing facilities in which our products are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination;

- we will likely need to change our CMO for CTX-471 manufacturing to one that can support large-scale manufacturing for later stage clinical trials as well as commercial supply needs;

- the manufacturing facilities in which our products are made could be adversely affected by equipment failures, labor and raw material shortages, natural disasters, power failures and numerous other factors; and

- any adverse developments affecting manufacturing operations for our products may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our products. We may also have to take inventory write-offs and incur other charges and expenses for products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives.

We may also make changes to our manufacturing processes at various points during development, for a number of reasons, such as controlling costs, achieving scale, decreasing processing time, increasing manufacturing success rate or other reasons. Such changes carry the risk that they will not achieve their intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of our ongoing or future clinical trials. In some circumstances, changes in the manufacturing process may require us to perform ex vivo comparability studies and to collect additional data from patients prior to undertaking more advanced clinical trials. For instance, changes in our process during the course of clinical development may require us to show the comparability of the product used in earlier clinical phases or at earlier portions of a trial to the product used in later clinical phases or later portions of the trial.

Risks Related to Intellectual Property

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

Our success depends, in large part, on our and in a few cases, our licensors' ability to obtain and maintain patent protection in the United States and other countries with respect to our product candidates and platform. We and our licensors have sought, and intend to seek, to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates and technology that are important to our business. No patent has yet issued from our patent applications.

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.

As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued that protect our technology or product candidates or that effectively prevent others from commercializing competitive technologies and product candidates. In particular, during prosecution of any patent application, the issuance of any patents based on the application may depend upon our ability to generate additional preclinical or clinical data that support the patentability of our proposed claims. We may not be able to generate sufficient additional data on a timely basis, or at all. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our intellectual property may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

We may not be aware of all third-party intellectual property rights potentially relating to our product candidates. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, only upon issuance or not at all. Therefore, we cannot be certain that we, or a licensor, were the first to make the inventions claimed in any owned or any licensed patents or pending patent applications, respectively, or which entity was the first to file for patent protection until such patent application publishes or issues as a patent. Databases for patents and publications, and methods for searching them, are inherently limited, so it is not practical to review and know the full scope of all issued and pending patent applications. As a result, the issuance, scope, validity, enforceability, and commercial value of our and our licensed patent rights are uncertain. Furthermore, if third parties have filed such patent applications, we may challenge their ownership, for example in a derivation proceeding before the U.S. Patent and Trademark Office, or USPTO, to determine who has the right to the claimed subject matter in the applications. Similarly, if our patent applications are challenged in a derivation proceeding, the USPTO may hold that a third-party is entitled to certain patent ownership rights instead of us. We may then be forced to seek a license from the third party that may not be available on commercially favorable terms, or at all.

The patent prosecution process is expensive, time consuming and complex, and we may not have and may not in the future be able to file, prosecute, maintain, enforce, defend or license all necessary or desirable patent applications in some or all relevant jurisdictions at a reasonable cost or in a timely manner. For example, in some cases, the work of certain academic researchers in the field has entered the public domain, which may compromise our ability to obtain patent protection for certain inventions related to or building upon such prior work. Consequently, we may not be able to obtain any such patents to prevent others from using our technology for, and developing and marketing competing products to treat, these indications. 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. In some cases, we may be able to obtain patent protection, but such protections may expire before we commercialize the product protected by those rights, leaving us no meaningful protection for our products. In other cases, where our intellectual property is being managed by a third-party collaborator, licensee or partner, that third party may fail to act diligently in prosecuting, maintaining, defending or enforcing our patents. Such conduct may result in the failure to maintain or obtain protections, loss of rights, loss of patent term or, in cases where a third party has acted negligently or inequitably, patents being found unenforceable.

Even if the patent applications we license or own do issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner..

In spite of a legal presumption of validity, the issuance of a patent is not conclusive as to its inventorship, ownership, scope, validity, or enforceability which may be challenged in the courts and patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and product candidates.

Our intellectual property agreements with third parties may be subject to disagreements over contract interpretation, which could narrow the scope of our rights to the relevant intellectual property or technology, resulting in termination of our access to such intellectual property or increase our financial or other obligations to our licensors.

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

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

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and/or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our licensed patents and/or applications and any patent rights we own or may own in the future. We rely, in part, on our outside counsel or our licensing partners to pay these fees due to the USPTO and to non-U.S. patent agencies. The USPTO and various non-U.S. government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply and we are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our licensed intellectual property. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction and may compromise the strength of other intellectual property in our portfolio. In such an event, potential competitors might be able to enter the market and this circumstance could have a material adverse effect on our business.

On February 1, 2019 the government of Venezuela, in response to certain U.S. sanctions, began to require that foreign entities pay all official fees, including patent fees (either for pending matters or new petitions), in PETRO, a “cryptocurrency” created by the Nicolás Maduro administration in February 2018 as a way to collect U.S. dollars while avoiding American financial sanctions issued under an Executive Order of President Trump on March 19, 2018. The Executive Order banned transactions involving “any digital currency, digital coin, or digital token, that was issued by, for, or on behalf of the Government of Venezuela on or after January 9, 2018.” The prohibition is applicable to any U.S. entity unless exempted by license. We do not hold such a license and therefore may not be able to secure patents in Venezuela. A presidential decree dated January 14, 2020 formally established the PETRO as a mandatory means of payment. In response, the Venezuelan Patent Office established an alternative payment method allowing the receipt of deposits with the value of corresponding Official fees in U.S. Dollars and Euros in cash at a non-sanctioned governmental bank. While this has been an adequate course of action to proceed in compliance, there is no guarantee it will remain so.

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

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

Many companies have encountered significant problems protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biotechnology products or methods of treatment, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. For example, with “Brexit”, there is uncertainty associated with obtaining, defending, and enforcing intellectual property rights in the United Kingdom. International treaties and regulations promulgated as a result of this transition could impede or eliminate our ability to obtain or maintain meaningful intellectual property rights in the United Kingdom. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. 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 or any of our licensors is forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired and our business, financial condition, results of operations and prospects may be adversely affected.

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

Patents have a limited lifespan. In most countries, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest national filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products. Given the amount of time required for the development, testing and regulatory review of new product candidates, it is possible that patents protecting our product candidates might expire before or shortly after we commercialize those candidates. Further, if we encounter delays in our clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

If we do not obtain patent term extension and data exclusivity for our product candidates, our business may be harmed.

Depending upon the timing, duration and specifics of any FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch Waxman Act. The Hatch Waxman Act permits a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended per FDA-approved product, and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. Further, certain of our licenses currently or in the future may not provide us with the right to control decisions the licensor or its other licensees on Orange Book listings or patent term extension decisions under the Hatch-Waxman Act. Thus, if one of our important licensed patents is eligible for a patent term extension under the Hatch-Waxman Act, and it covers a product of another licensee in addition to our own product candidate, we may not be able to obtain that extension if the other licensee seeks and obtains that extension first. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements.

The Biologics Price Competition and Innovation Act of 2009 provides up to 12 years of market exclusivity for a reference biological product. We may not be able to obtain such exclusivity for our products. Moreover, the applicable time-period or the scope of patent protection afforded during any such extension could be less than we request. If we are unable to obtain patent term extension or the scope of term of any such extension is less than we request, the period during which we will have the right to exclusively market our product may be shortened and our competitors may obtain approval of competing products following our patent expiration, and our revenue could be materially reduced.

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

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith America Invents Act, enacted in September 2011, or the America Invents Act, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention.

The America Invents Act also includes several significant changes that affect the way patent applications are prosecuted and also may affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity or ownership of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. The America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to such third-party pre-issuance submission of prior art to the USPTO or become involved in other contested proceedings such as opposition, derivation, reexamination, *inter partes* review, or post-grant review proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future products.

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

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

Competitors may infringe our patents or the patents of our licensors, or we may be required to defend against claims of infringement. Countering infringement or unauthorized use claims or defending against claims of infringement can be expensive and time-consuming. 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 marketing, sales or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. 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.

In addition, 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, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. 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 own, develop or license.

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court. We may not be able to protect our trade secrets in court.

If we or one of our licensing partners initiate legal proceedings against a third party to enforce any patent that is issued covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, written description or non-enablement. In addition, patent validity challenges may, under certain circumstances, be based upon non-statutory obviousness-type double patenting, which, if successful, could result in a finding that the claims are invalid for obviousness-type double patenting or the loss of patent term, including a patent term adjustment granted by the USPTO, if a terminal disclaimer is filed to obviate a finding of obviousness-type double patenting. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld information material to patentability from the USPTO, or made a misleading statement, during prosecution. Third parties also may raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review, *inter partes* review and equivalent proceedings in foreign jurisdictions. Such proceedings could result in the revocation or cancellation of or amendment to our patents in such a way that they no longer cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. We cannot be certain that there is no invalidating prior art of which the patent examiner and we or our licensing partners were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we could lose part, and perhaps all, of the patent protection on one or more of our product candidates. Such a loss of patent protection could have a material adverse impact on our business.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our product candidate discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. However, trade secrets can be difficult to protect, and some courts inside and outside the United States are less willing or unwilling to protect trade secrets.

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

Patents have a limited lifespan. In most countries, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest national filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products. Given the amount of time required for the development, testing and regulatory review of new product candidates, it is possible that patents protecting our product candidates might expire before or shortly after we commercialize those candidates. Further, if we encounter delays in our clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

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

Depending upon the timing, duration and specifics of any FDA marketing approval of any product candidates we may develop, one or more U.S. patents that we license or may own in the future may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984, or the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent per product may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, even if we were to seek a patent term extension, it may not be granted because of, for example, the failure to exercise due diligence during the testing phase or regulatory review process, the failure to apply within applicable deadlines, the failure to apply prior to expiration of relevant patents, or the failure to otherwise satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded under an extension request could be less than we request. In addition, to the extent we wish to pursue patent term extension based on a patent that we in-license from a third party, we would need the cooperation of that third party. If we are unable to obtain patent term extension or if the term of any requested extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, be able to enter the market sooner, and our revenue could be reduced, and our business, financial condition, prospects and results of operations could be materially harmed.

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

Our commercial success depends upon our ability and the ability of any collaborators to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing the proprietary rights and intellectual property of third parties. We cannot provide any assurances that third-party patents do not exist which might be enforced against our current manufacturing methods, product candidates or future methods or products, resulting in either an injunction prohibiting our manufacture or sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties.

The biotechnology and pharmaceutical industries are characterized by extensive and complex litigation regarding patents and other intellectual property rights. We may in the future become party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our product candidates and technology, including post grant review and *inter partes* review before the USPTO. The risks of being involved in such litigation and proceedings may also increase as our product candidates approach commercialization and as we gain greater visibility as a public company. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit. There is a risk that third parties may choose to engage in litigation with us to enforce or to otherwise assert their patent rights against us. Even if we believe such claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could materially and adversely affect our ability to commercialize any of our product candidates or technologies covered by the asserted third-party patents.

If we are found to infringe a third party's valid and enforceable intellectual property rights, we could be required to obtain a license from such third party to continue developing, manufacturing and marketing our product candidates and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. We could be forced, including by court order, to cease developing, manufacturing and commercializing the infringing technology or product candidates. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. A finding of infringement could prevent us from manufacturing and commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business, financial condition, results of operations and prospects.

Others may claim an ownership interest in our intellectual property and our product candidates, which could expose us to litigation and have a significant adverse effect on our prospects.

While we are presently unaware of any claims or assertions by third parties with respect to our patents or other intellectual property, we cannot guarantee that a third party will not assert a claim or an interest in any of such patents or intellectual property. For example, a third party may claim an ownership interest in one or more of our, or our licensors', patents or other proprietary or intellectual property rights. A third party could bring legal actions against us to seek monetary damages or enjoin clinical testing, manufacturing or marketing of the affected product candidate or product. If we become involved in any litigation, it could consume a substantial portion of our resources and cause a significant diversion of effort by our technical and management personnel. If any such action is successful, in addition to any potential liability for damages, we could be required to obtain a license to continue to manufacture or market the affected product candidate or product, in which case we could be required to pay substantial royalties or grant cross-licenses to patents. We cannot, however, assure you that any such license would be available on acceptable terms, if at all. Ultimately, we could be prevented from commercializing a product, or forced to cease some aspect of our business operations as a result of claims of patent infringement or violation of other intellectual property rights. Further, the outcome of intellectual property litigation is subject to uncertainties that cannot be adequately quantified in advance, including the demeanor and credibility of witnesses and the identity of any adverse party. This is especially true in intellectual property cases, which may turn on the testimony of experts as to technical facts upon which experts may reasonably disagree. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or prospects.

If we are unable to protect the confidentiality of our proprietary information, the value of our technology and products could be adversely affected.

Trade secrets and know-how can be difficult to protect. To maintain the confidentiality of trade secrets and proprietary information, we enter into confidentiality agreements with our employees, consultants, collaborators and others upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. Our agreements with employees and our personnel policies also provide that any inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. However, 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 technology and processes, and individuals with whom we have these agreements may not comply with their terms. Thus, despite such agreement, there can be no assurance that such inventions will not be assigned to third parties. In the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information. To the extent that our employees, consultants or contractors use technology or know-how owned by third parties in their work for us, disputes may arise between us and those third parties as to the rights in related inventions. To the extent that an individual who is not obligated to assign rights in intellectual property to us is rightfully an inventor of intellectual property, we may need to obtain an assignment or a license to that intellectual property from that individual, or a third party or from that individual's assignee. Such assignment or license may not be available on commercially reasonable terms or at all. We also seek to preserve the integrity and confidentiality of our trade secrets by other means, including maintaining physical security of our premises and physical and electronic security of our information technology systems. However, these security measures 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.

Adequate remedies may not exist in the event of unauthorized use or disclosure of our proprietary information. The disclosure of our trade secrets would impair our competitive position and may materially harm our business, financial condition and results of operations. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to maintain trade secret protection could adversely affect our competitive business position. In addition, others may independently discover or develop our trade secrets and proprietary information, and the existence of our own trade secrets affords no protection against such independent discovery. For example, a public presentation in the scientific or popular press on the properties of our product candidates could motivate a third party, despite any perceived difficulty, to assemble a team of scientists having backgrounds similar to those of our employees to attempt to independently reverse engineer or otherwise duplicate our antibody technologies to replicate our success.

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

Many of our directors, employees, consultants, and advisors are currently, or were previously, employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. 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 these individuals, or we, have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer, or that patents and applications we have filed to protect inventions of these employees, even those related to one or more of our product candidates, are rightfully owned by their former or current employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while it is our policy to require our employees, consultants, advisors and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. 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. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to management.

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

Any registered trademarks or trade names may be challenged, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely impact our financial condition or results of operations.

Collaborations with third parties, including academic collaborations, may limit our ability to obtain, maintain, enforce or defend intellectual property necessary to conduct our business.

We may sometimes collaborate with non-profit and academic institutions to accelerate our preclinical research or development under written agreements with these institutions. Typically, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration. Regardless of such option, we may be unable to negotiate a license within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to other parties, potentially blocking our ability to develop our program.

In some circumstances, particularly in-licenses with academic institutions, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain, enforce or defend the patents, covering technology that we license from third parties. Therefore, we cannot be certain that these patents and applications will be prosecuted, maintained and enforced in a manner consistent with the best interests of our business. If our licensors fail to maintain such patents, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated and our right to develop and commercialize any of our products that are the subject of such licensed rights could be adversely affected. In certain circumstances, we have or may license technology from third parties on a non-exclusive basis. In such instances, other licensees may have the right to enforce our licensed patents in their respective fields, without our oversight or control. Those other licensees may choose to enforce our licensed patents in a way that harms our interest, for example, by advocating for claim interpretations or agreeing on invalidity positions that conflict with our positions or our interest. In addition to the foregoing, the risks associated with patent rights that we license from third parties will also apply to patent rights we own or may own in the future.

Intellectual property rights do not necessarily address all potential threats.

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

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

- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;

- we may not develop additional proprietary technologies that are patentable;

- the patents of others may have an adverse effect on our business; and

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

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

Changes to national patent laws and diminished or limited access to U.S. and/or foreign patent counsel and the courts in response to the ongoing SARS-CoV-2 coronavirus pandemic may compromise our ability to pursue, obtain, enforce or defend our intellectual property patent protections throughout the world.

Following the discovery of a novel strain of coronavirus in Wuhan, China in December 2019, and the subsequent spread of the virus around the world, including the declaration of a public health emergency in January 2020 by the World Health Organization, many national patent offices promulgated emergency measures and alternative procedures for filing, prosecuting and adjudicating disputes regarding intellectual property. While some of these new rules involve the provision of extensions for certain filing deadlines, none of these emergency-situation rules have been tested in a litigation setting or for their harmonization with the laws of other countries.

Access to the USPTO and other patent offices has been restricted by government mandated shelter-in-place or stay-home orders thereby limiting our ability to appear before any tribunal in support of our intellectual property. Should the remaining electronic access to these tribunals be interrupted or non-existent, we may not be able to secure, defend or enforce patent protections in all jurisdictions.

We also rely on U.S. and foreign patent counsel in the management of our intellectual property. Should our access to counsel be diminished or lost due to effects of COVID-19 on these service providers and their organizations, we may not be able to manage, maintain or secure our intellectual property position.

Risks Related to Reliance on Third Parties

We rely or will rely on third parties to help conduct our ongoing and planned preclinical studies and clinical trials for CTX-471, CTX-8371, CTX-8573 and any future product candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize CTX-471, CTX-8371, CTX-8573 and any current or future product candidates we develop and our business could be materially harmed.

We currently do not have the ability to independently conduct preclinical studies that comply with the regulatory requirements known as current good laboratory practice, or GLP, requirements. We also do not currently have the ability to independently conduct any clinical trials. The FDA and regulatory authorities in other jurisdictions require us to comply with regulations and standards, including cGCP, or requirements for conducting, monitoring, recording and reporting the results of clinical trials, in order to ensure that the data and results are scientifically credible and accurate and that the trial subjects are adequately informed of the potential risks of participating in clinical trials. We rely on medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs, to conduct GLP-compliant preclinical studies and cGCP-compliant clinical trials on our product candidates properly and on time. While we have agreements governing their activities, we control only certain aspects of their activities and have limited influence over their actual performance. The third parties with whom we contract for execution of our GLP-compliant preclinical studies and our cGCP-compliant clinical trials play a significant role in the conduct of these studies and trials and the subsequent collection and analysis of data. These third parties are not our employees and, except for restrictions imposed by our contracts with such third parties, we have limited ability to control the amount or timing of resources that they devote to our current or future product candidates. Although we rely on these third parties to conduct our GLP-compliant preclinical studies and cGCP-compliant clinical trials, we remain responsible for ensuring that each of our preclinical studies and clinical trials is conducted in accordance with its investigational plan and protocol and applicable laws and regulations, and our reliance on the CROs does not relieve us of our regulatory responsibilities.

Many of the third parties with whom we contract may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other drug development activities that could harm our competitive position. Further, under certain circumstances, these third parties may unilaterally terminate their agreements with us. If the third parties conducting our preclinical studies or our clinical trials do not adequately perform their contractual duties or obligations, experience significant business challenges, disruptions or failures, do not meet expected deadlines, including on account of the COVID-19 pandemic, terminate their agreements with us or need to be replaced, or if the quality or accuracy of the data they obtain is compromised due to their failure to adhere to our protocols or to GLP and cGCP, or for any other reason, we may need to enter into new arrangements with alternative third parties. This could be difficult, costly or impossible, and our preclinical studies or clinical trials may need to be extended, delayed, terminated or repeated. As a result, we may not be able to obtain regulatory approval in a timely fashion, or at all, for the applicable product candidate, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

We may depend on other third-party collaborators for the discovery, development and commercialization of certain of our current and future product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

In the future, we may form or seek other strategic alliances, joint ventures or collaborations, or enter into licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to product candidates we develop. Such potential future collaborations involving our product candidates may pose various risks to us, including:

- collaborators may have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates;
- collaborators may not properly enforce, maintain or defend our intellectual property rights or may use our proprietary information in a way that gives rise to actual or threatened litigation or that could jeopardize or invalidate our intellectual property or proprietary information, exposing us to potential litigation or other intellectual property proceedings;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- disputes may arise between a collaborator and us that cause the delay or termination of the research, development or commercialization of the product candidate, or that result in costly litigation or arbitration that diverts management attention and resources;
- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such products;
- if a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated; and
- collaboration agreements may restrict our right to independently pursue new product candidates.

If we enter into collaboration agreements and strategic partnerships or license our intellectual property, products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or net income that justifies such transaction. Any of the factors set forth above, among others, could delay the development and commercialization of our product candidates, which would harm our business prospects, financial condition and results of operations.

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

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

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Whether we reach a definitive agreement for other collaborations will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the progress of our clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate.

Further, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for future product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view them as having the requisite potential to demonstrate safety and efficacy.

We may also be restricted under existing collaboration agreements from entering into future agreements on certain terms with potential collaborators. Such exclusivity could limit our ability to enter into strategic collaborations with future collaborators. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

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

Risks Related to Our Business

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

We are highly dependent on members of our executive team. The loss of the services of any of them may adversely impact the achievement of our objectives. Any of our executive officers—Thomas J. Schuetz, our co-founder and Chief Executive Officer, and Vered Bisker-Leib, our Chief Operating Officer—could leave our employment at any time, as all of our employees are "at-will" employees. The loss of the services of Mr. Schuetz or Dr. Bisker-Leib could impede the achievement of our research, development and commercialization objectives.

Historically, we have experienced significant turnover in our research and development workforce and have operated with a limited team of scientific and technical personnel. We have had difficulty attracting and retaining qualified personnel for certain positions in our research and development groups and we may not be able to attract and retain such personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies and academic institutions for skilled individuals. Recruiting and retaining qualified employees for our business, including scientific and technical personnel, will also be critical to our success. In addition, failure to succeed in preclinical studies, clinical trials or applications for marketing approval may make it more challenging to recruit and retain qualified scientific and technical personnel. The inability to recruit, or the loss of services of certain executives, key employees, consultants or advisors, may impede the progress of our research, development and commercialization objectives and have a material adverse effect on our business, financial condition, results of operations and growth prospects.

We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.

The biotechnology industry is intensely competitive and subject to rapid and significant technological change. Our current or future product candidates may face competition from major pharmaceutical companies, specialty pharmaceutical companies, universities and other research institutions and from products and therapies that currently exist or are being developed, some of which products and therapies we may not currently know about. Many of our competitors have significantly greater financial, manufacturing, marketing, product development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining marketing approvals, recruiting patients and manufacturing pharmaceutical products, and they may also have products that have been approved or are in late stages of development, and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. As a result of all of these factors, our competitors may succeed in obtaining patent protection and/or FDA or other regulatory approval or discovering, developing and commercializing products in our field before we do, which could result in our competitors establishing a strong market position before we are able to enter the market.

Our competitors may obtain FDA or other regulatory approval of their product candidates more rapidly than we may or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates or platform technologies. Our competitors may also develop drugs or discovery platforms that are more effective, more convenient, more widely used or less costly than our product candidates or our NKp30 platform or, in the case of drugs, have a better safety profile than our product candidates. These competitors may also be more successful than us in manufacturing and marketing their products, and have significantly greater financial resources and expertise in research and development.

There are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. Currently marketed oncology drugs and therapeutics range from traditional cancer therapies, including chemotherapy, to antibody-drug conjugates, such as Genentech's Kadcyla, to immune checkpoint inhibitors targeting CTLA-4, such as BMS' Yervoy, and PD-1/PD-L1, such as BMS' Opdivo, Merck & Co.'s Keytruda and Genentech's Tecentriq, to T cell-engager antibody therapeutics, such as Amgen's Blincyto. In addition, numerous compounds are in clinical development for cancer treatment. Many of these companies are well-capitalized and have significant clinical experience. In addition, we are exploring CTX-8573 for the treatment of severe autoimmune indications, for which there are several approved and marketed products that CTX-8573 may compete with, if approved, including Alexion's Soliris and Roche's Rituxan. See "*Business—Competition*".

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

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient, have a broader label, are marketed more effectively, are reimbursed or are less expensive than any products that we may develop. Our competitors may also obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates or platform technologies. Even if our product candidates achieve marketing approval, they may be priced at a significant premium over competitive products if any have been approved by then, resulting in reduced competitiveness. If we do not compete successfully, we may not generate or derive sufficient revenue from any product candidate for which we obtain marketing approval and may not become or remain profitable.

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

As our development plans and strategies develop, and as we transition into operating as a public company, we expect to need additional managerial, operational, marketing, sales, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical and FDA review process for CTX-471, CTX-8371, CTX-8573 and any other current or future product candidates we develop, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to advance development of and, if approved, commercialize CTX-471, CTX-8371, CTX-8573 and any current or future product candidates we develop will depend, in part, on our ability to effectively manage any future growth, and our management may have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

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

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize CTX-471, CTX-8371, CTX-8573 and any current or future product candidates we develop and, accordingly, may not achieve our research, development and commercialization goals.

If we are unable to establish marketing, sales and distribution capabilities for CTX-471, CTX-8371, CTX-8573 or any other product candidate that may receive regulatory approval, we may not be successful in commercializing those product candidates if and when they are approved.

We do not have sales or marketing infrastructure. To achieve commercial success for CTX-471, CTX-8371, CTX-8573 and any other product candidate for which we may obtain marketing approval, we will need to establish a sales and marketing organization. In the future, we expect to build a focused sales and marketing infrastructure to market some of our product candidates in the United States, if and when they are approved. There are risks involved with establishing our own marketing, sales and distribution capabilities. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. 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 market our products on our own include:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians in order to educate physicians about our product candidates, once approved;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we are unable to establish our own marketing, sales and distribution capabilities and are forced to enter into arrangements with, and rely on, third parties to perform these services, our revenue and our profitability, if any, are likely to be lower than if we had developed such capabilities ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute our product candidates or may be unable to do so on terms that are 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 products effectively. If we do not establish marketing, sales and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of our product candidates.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human trials and may face greater risk if we commercialize any products that we develop. Product liability claims may be brought against us by subjects enrolled in our trials, patients, healthcare providers or others using, administering or selling our products. If we cannot successfully defend ourselves against such claims, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidate we may develop;
- withdrawal of trial participants;
- termination of clinical trial sites or entire trial programs;
- injury to our reputation and significant negative media attention;
- initiation of investigations by regulators;
- significant time and costs to defend the related litigation;
- substantial monetary awards to trial subjects or patients;

- diversion of management and scientific resources from our business operations; and
- the inability to commercialize any product candidates that we may develop.

While we currently hold trial liability insurance coverage consistent with industry standards, the amount of coverage may not adequately cover all liabilities that we may incur. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. We intend to expand our insurance coverage for products to include the sale of commercial products if we obtain marketing approval for our product candidates, but we may be unable to obtain commercially reasonable product liability insurance. A successful product liability claim or series of claims brought against us, particularly if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business and financial condition.

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

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

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Risks Related to Ownership of Our Common Stock

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

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or 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 will remain an emerging growth company until the earliest of (i) December 31, 2024, (ii) the last day of the first fiscal year in which we have total annual gross revenues of at least $1.07 billion, (iii) the last day of the first fiscal year in which the market value of our common stock that is held by non-affiliates exceeds $700.0 million on June 30th and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to take advantage of this extended transition period to enable us to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

There is currently no market for our common stock and there can be no assurance that any market will ever develop. You may therefore be unable to re-sell shares of our common stock at times and prices that you believe are appropriate.

Our common stock is not listed on a national securities exchange or any other exchange, or quoted on an over-the-counter market. Therefore, there is no trading market, active or otherwise, for our common stock and our common stock may never be included for trading on any stock exchange, automated quotation system or any over-the-counter market. Accordingly, our common stock is highly illiquid and you will likely experience difficulty in re-selling such shares at times and prices that you may desire.

Our common stock may not be eligible for listing or quotation on any securities exchange.

We do not currently meet the initial quantitative listing standards of any national securities exchange or over-the-counter trading system. We cannot assure you that we will be able to meet the initial listing standards of any national securities exchange, or, if we do meet such initial listing standards, that we will be able to maintain any such listing. Further, the national securities exchanges are adopting so-called "seasoning" rules that will require that we meet certain requirements, including prescribed periods of time trading over-the-counter and minimum filings of periodic reports with the SEC, before we are eligible to apply for listing on such national securities exchanges. We intend to contact an authorized market maker for an over-the-counter quotation system for sponsorship of our common stock, but we cannot guarantee that such sponsorship will be approved and our common stock listed and quoted for sale. Even if our common stock is quoted for sale on an over-the-counter quotation system, buyers may be insufficient in numbers to allow for a robust market and it may prove impossible to sell your shares. In addition, an investor may find it difficult to obtain accurate quotations as to the market value of our common stock. In addition, if we fail to meet the criteria set forth in SEC regulations, various requirements would be imposed by law on broker-dealers who sell our securities to persons other than established customers and accredited investors. Consequently, such regulations may deter broker-dealers from recommending or selling our common stock, which may further affect its liquidity. This would also make it more difficult for us to raise additional capital.

The designation of our common stock as "penny stock" would limit the liquidity of our common stock.

Our common stock may be deemed a "penny stock" (as that term is defined under Rule 3a51-1 of the Exchange Act) in any market that may develop in the future. Generally, a "penny stock" is a common stock that is not listed on a securities exchange and trades for less than $5.00 a share. Prices often are not available to buyers and sellers and the market may be very limited. Penny stock in start-up companies is among the riskiest equity investments. Broker-dealers who sell penny stock must provide purchasers with a standardized risk-disclosure document prepared by the SEC. The document provides information about penny stock and the nature and level of risks involved in investing in the penny stock market. A broker must also provide purchasers with bid and offer quotations and information regarding broker and salesperson compensation and make a written determination that the penny stock is a suitable investment for the purchaser and obtain the purchaser's written agreement to the purchase. Many brokers choose not to participate in penny stock transactions. If our common stock is deemed "penny stock", because of penny stock rules, there may be less trading activity in any market that develops for our common stock in the future and stockholders are likely to have difficulty selling their shares.

FINRA sales practice requirements may limit a stockholder's ability to buy and sell our common stock.

The Financial Industry Regulatory Authority, or FINRA, has adopted rules requiring that, in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative or low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA has indicated its belief that there is a high probability that speculative or low-priced securities will not be suitable for at least some customers. If these FINRA requirements are applicable to us or our securities, they may make it more difficult for broker-dealers to recommend that at least some of their customers buy our common stock, which may limit the ability of our stockholders to buy and sell our common stock and could have an adverse effect on the market for and price of our common stock.

The market price of our common stock may be highly volatile, and may be influenced by numerous factors, some of which are beyond our control.

If a market for our common stock develops, its market price could fluctuate substantially due to a variety of factors, including market perception of our ability to meet our growth projections and expectations, quarterly operating results of other companies in the same industry, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting our business and the business of others in our industry. In addition, the stock market itself is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons related and unrelated to their operating performance and could have the same effect on our common stock. The market price of shares of our common stock could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- results of clinical trials of our product candidates;
- the timing of the release of results of our clinical trials;
- results of clinical trials of our competitors' products;
- safety issues with respect to our products or our competitors' products;
- regulatory actions with respect to our products or our competitors' products;
- actual or anticipated fluctuations in our financial condition and operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- sales of our common stock by us, our insiders or our other stockholders;
- speculation in the press or investment community;
- announcement or expectation of additional financing efforts;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters and other calamities;
- changes in market conditions for biopharmaceutical stocks; and
- changes in general market and economic conditions.

In addition, the stock market has recently experienced significant volatility, including as a result of the COVID-19 pandemic and particularly with respect to pharmaceutical, biotechnology and other life sciences company stocks. The volatility of pharmaceutical, biotechnology and other life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. As we operate in a single industry, we are especially vulnerable to these factors to the extent that they affect our industry or our products, or to a lesser extent our markets. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

Our principal stockholders and management own a significant percentage of our stock and will be able to exercise significant influence over matters subject to stockholder approval.

As of June 23, 2020, after giving effect to the Merger and the initial closing of the Offering, our executive officers, directors and principal stockholders, together with their respective affiliates, owned approximately 82.6% of our common stock, including shares subject to outstanding options that are exercisable within 60 days after such date. Accordingly, these stockholders will be able to exert a significant degree of influence over our management and affairs and over matters requiring stockholder approval, including the election of our board of directors and approval of significant corporate transactions. This concentration of ownership could have the effect of entrenching our management and/or the board of directors, delaying or preventing a change in our control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which in turn could have a material and adverse effect on the fair market value of our common stock.

The shares of common stock issued in the Merger and the Offering are "restricted securities" and, as such, may not be sold except in limited circumstances.

None of the shares of common stock issued in the Merger and the Offering have been registered under the Securities Act of 1933, as amended, or the Securities Act, or registered or qualified under any state securities laws. The shares of common stock issued in the Merger and the Offering were sold and/or issued pursuant to exemptions contained in and under those laws. Accordingly, such shares of common stock are "restricted securities" as defined in Rule 144 under the Securities Act and must, therefore, be held indefinitely unless registered under applicable federal and state securities laws, or an exemption is available from the registration requirements of those laws. The certificates representing the shares of common stock issued in the Merger and the Offering reflect their restricted status.

We have agreed to register the shares of common stock issued in the Merger and the Offering. There can be no assurance, however, that the SEC will declare the registration statement effective, thereby enabling the shares of common stock issued in the Merger or the Offering to be freely tradable. In addition, Rule 144 under the Securities Act, which permits the resale, subject to various terms and conditions, of limited amounts of restricted securities after they have been held for six months will not immediately apply to our common stock because we were at one time designated as a "shell company" under SEC regulations. Pursuant to Rule 144(i), securities issued by a current or former shell company that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 until one year after the date on which the issuer filed current "Form 10 information" (as defined in Rule 144(i)) with the SEC reflecting that it ceased being a shell company, and provided that at the time of a proposed sale pursuant to Rule 144, the issuer has satisfied certain reporting requirements under the Exchange Act. We believe this requirement to file Form 10 information has been satisfied by the filing of this Report. Because, as a former shell company, the reporting requirements of Rule 144(i) will apply regardless of holding period, the restrictive legends on certificates for the shares of common stock issued in the Merger and the Offering cannot be removed except in connection with an actual sale that is subject to an effective registration statement under, or an applicable exemption from the registration requirements of, the Securities Act.

If we are unable to register in a timely manner the shares of common stock issued to stockholders in the Merger or the Offering, then the ability to re-sell shares of our common stock so issued will be delayed.

We have agreed, at our expense, to prepare a registration statement, and to cause our Company to file a registration statement with the SEC registering the resale of an aggregate of 52,151,798 shares of our common stock issued in connection with the Merger and the Offering. There are many reasons, including some over which we have little or no control, which could keep the registration statement from being declared effective by the SEC, including delays resulting from the SEC review process and comments raised by the SEC during that process. The shares of common stock covered by such registration statement will not be eligible for resale until the registration statement is effective or an exemption from registration, such as Rule 144, becomes available. If the registration statement is not filed within 60 days of the closing of the Offering, then we may be subject to certain liquidated damages pursuant to the registration rights agreement we entered into with the holders of 52,151,798 shares of our common stock issued in connection with the Merger and the Offering. See "The Merger and Related Transactions—Registration Rights Agreement" for more information.

Because we became a reporting company under the Exchange Act by means other than a traditional underwritten initial public offering, we may not be able to attract the attention of research analysts at major brokerage firms.

Because we did not become a reporting company by conducting an underwritten initial public offering of our common stock, and because we will not be listed on a national securities exchange, security analysts of brokerage firms may not provide coverage of our company. In addition, investment banks may be less likely to agree to underwrite secondary offerings on our behalf than they might if we became a public reporting company by means of an underwritten initial public offering, because they may be less familiar with our company as a result of more limited coverage by analysts and the media, and because we became public at an early stage in our development. The failure to receive research coverage or support in the market for our shares will have an adverse effect on our ability to develop a liquid market for our common stock.

Because the Merger was a reverse merger, the registration statement we file with respect to the shares of common stock received by investors in the Merger might be subject to heightened scrutiny by the SEC, and we may not be able to attract the attention of major brokerage firms.

Additional risks may exist as a result of our becoming a public reporting company through a "reverse merger". Certain SEC rules are more restrictive when applied to reverse merger companies, such as the ability of stockholders to re-sell their shares of common stock pursuant to Rule 144, and the SEC may subject the registration statement we file with respect to the shares of common stock received by investors in the Merger and the Offering to heightened scrutiny. In addition, securities analysts of major brokerage firms may not provide coverage of our capital stock or business. Because we became a public reporting operating company through a reverse merger, there is no incentive to brokerage firms to recommend the purchase of our common stock. We cannot assure you that brokerage firms will want to provide analyst coverage of our capital stock or business in the future.

The resale of shares covered by a registration statement could adversely affect the market price of our common stock in the public market, should one develop, which result would in turn negatively affect our ability to raise additional equity capital.

The sale, or availability for sale, of our common stock in the public market may adversely affect the prevailing market price of our common stock and may impair our ability to raise additional capital by selling equity or equity-linked securities. We have agreed, at our expense, to prepare a registration statement, and to cause us to file a registration statement with the SEC registering the resale of 52,151,798 shares of our common stock issued in connection with the Merger and the Offering. Once effective, the registration statement will permit the resale of these shares at any time. The resale of a substantial number of shares of our common stock in the public market could adversely affect the market price for our common stock and make it more difficult for you to sell shares of our common stock at times and prices that you feel are appropriate. Furthermore, we expect that, because there will be a large number of shares registered pursuant to a registration statement, selling stockholders will continue to offer shares covered by such registration statement for a significant period of time, the precise duration of which cannot be predicted. Accordingly, the adverse market and price pressures resulting from an offering pursuant to a registration statement may continue for an extended period of time and continued negative pressure on the market price of our common stock could have a material adverse effect on our ability to raise additional equity capital.

Future issuances of common or preferred stock to fund our operations may substantially dilute your investment and reduce your equity interest in our company.

We may need to raise capital in the future through issuances of common or preferred stock to fund the development of our drug candidates or for other purposes. At its sole discretion, our board of directors may issue additional securities without seeking stockholder approval. Any future issuances of common or preferred stock to fund our operations may substantially dilute your investment and reduce your equity interest in our company.

We will incur increased costs as a result of being a public company and our management expects to devote substantial time to public company compliance efforts.

As a public company, we will incur significant legal, insurance, accounting and other expenses that we did not incur as a private company. In addition, our administrative staff will be required to perform additional tasks. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment will result in increased general and administrative expenses and may divert management's time and attention from product development activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. In connection with the Merger, we are increasing our directors' and officers' insurance coverage, which will increase our insurance cost. In the future, it will be more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

In addition, in order to comply with the requirements of being a public company, we may need to undertake various actions, including implementing new internal controls and procedures and hiring new accounting or internal audit staff. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that information required to be disclosed in reports under the Securities Exchange Act of 1934 as amended, or the Exchange Act, is accumulated and communicated to our principal executive and financial officers. Any failure to develop or maintain effective controls could adversely affect the results of periodic management evaluations. In the event that we are not able to demonstrate compliance with the Sarbanes-Oxley Act, that our internal control over financial reporting is perceived as inadequate, or that we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and the price of our ordinary shares could decline. In addition, if we are unable to continue to meet these requirements, we may not be able to obtain listing on a national securities exchange.

Our management team and board of directors will need to devote significant efforts to maintaining adequate and effective disclosure controls and procedures and internal control over financial reporting in order to comply with applicable regulations, which may include hiring additional legal, financial reporting and other finance and accounting staff and engaging consultants to assist in designing and implementing such procedures. Additionally, any of our efforts to improve our internal controls and design, implement and maintain an adequate system of disclosure controls may not be successful and will require that we expend significant cash and other resources. In addition, our management will be required to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. This assessment will need to include the disclosure of any material weaknesses in our internal control over financial reporting identified by our management or our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statement.

We have broad discretion in the use of our cash resources, including the net proceeds from the Offering, and may not use them effectively.

We currently intend to use our cash resources, including the net proceeds from the Offering, for continuing clinical development of CTX-471, including the continuation of our ongoing Phase 1 clinical trial and the preparation for and initiation of the Phase 2 trials, the advancement of our second product candidate, CTX-8371, into IND-enabling studies in the third quarter of 2020, the advancement of our third product candidate, CTX-8573, into IND-enabling studies in the first half of 2021 and for working capital and other general corporate purposes. Although we currently intend to use the net proceeds from the Offering in such a manner, we will have broad discretion in the application of the net proceeds. Our failure to apply these funds effectively could affect our ability to continue to develop and commercialize our product candidates. Pending their use, we may invest the net proceeds from the Offering in a manner that does not produce income or loses value.

Provisions in our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws that we have adopted in connection with the Merger contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us or changes in our management. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. 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 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.

Any provision of our amended and restated certificate of incorporation, our amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Our amended and restated bylaws designate certain courts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated bylaws provide that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any state law claims for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers and employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our bylaws (in each case, as they may be amended form time to time) or (iv) any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein; provided, however, that this exclusive forum provision will not apply to any causes of action arising under the Securities Act of 1933, as amended, or 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. We have chosen the United States District Court for the District of Massachusetts as the exclusive forum for such Securities Act causes of action because our principal executive offices are located in Cambridge, Massachusetts. In addition, our amended and restated bylaws will provide that any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have notice of and consented to the foregoing provisions. 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.

Our business, results of operations and future growth prospects could be materially and adversely affected by the COVID-19 pandemic.

Due to the evolving and uncertain global impacts of the COVID-19 pandemic, we cannot precisely determine or quantify the impact this pandemic will have on our business operations for the remainder of our fiscal year ending December 31, 2020 or beyond. The extent to which COVID-19 may impact our business, results of operations and future growth prospects will depend on a variety of factors and future developments, which are highly uncertain and cannot be predicted with confidence, including the ultimate geographic spread of the disease, the duration, scope and severity of the pandemic, the duration and extent of travel restrictions and social distancing in the U.S. and other countries, business closures or business disruptions and the effectiveness of actions taken in the U.S. and other countries to contain and treat COVID-19.

For example, public health actions being undertaken globally in response to the COVID-19 pandemic, including quarantines, stay-at-home, executive and similar government orders and the prioritization of healthcare resources, could adversely impact our business, results of operations and future growth prospects. For ongoing and planned clinical trials, we anticipate and have experienced some temporary delays or disruptions due to the COVID-19 pandemic, including limited or reduced patient access to trial investigators, hospitals and trial sites, delayed initiation of new clinical trial sites and limited on-site personnel support at various trial sites, which could adversely impact our development plans, including the initiation of planned clinical trials and our ability to conduct ongoing clinical trials. There may also be local orders affecting one or more trial sites, which may trigger mandated changes to our clinical trial protocols or temporary suspensions in the affected trial sites. In addition, quarantines, stay-at-home, executive and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations have occurred and could continue to occur or be expanded in scope or duration, which could adversely impact ongoing and planned clinical trials, our employees and business operations, personnel at our third-party suppliers and other vendors in the U.S. and other countries, the availability, cost or supply of materials, which may cause delays or disruptions to development plans for our product candidates, and sales and marketing activities for any product candidates for which we may receive marketing approval in the U.S. or other geographies in the future.

To the extent the COVID-19 pandemic adversely affects our business, results of operations and future growth prospects, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

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.

You should not rely on an investment in our common stock to provide dividend income. We do not anticipate that we will pay any cash dividends to holders of our common stock in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our operations. In addition, our 2018 Credit Facility contains, and any future debt financing arrangement we enter into may contain, terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any return on their investment. As a result, investors seeking cash dividends should not purchase our common stock.

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 our consolidated financial statements and the related notes and other financial information included in this Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties as described under the heading "Forward-Looking Statements" elsewhere in this Report. You should review the disclosure under the heading "Risk Factors" in this Report 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 clinical-stage biopharmaceutical company developing proprietary antibody therapeutics intended to engage the immune system to treat both solid tumors and hematological malignancies. Our immuno-oncology product candidates include a clinical-stage monoclonal antibody and a portfolio of bispecific antibodies. These product candidates are designed to address three critical components required for an effective immune response to cancer: induction of a potent innate immune response; activation of the adaptive immune system; and alleviation of immunosuppressive mechanisms used by tumors to evade immune surveillance and activation. We plan to rapidly advance our product candidates through clinical development, either as standalone therapies or in combination with existing therapies as supported by clinical and nonclinical data.

Since our inception, we have devoted substantially all of our efforts to organizing and staffing our company, business planning, raising capital, research and development activities, building our intellectual property portfolio and providing general and administrative support for these operations. To date, we have funded our operations primarily with proceeds from the sale of convertible preferred equity and borrowings under the 2018 Credit Facility. Through March 31, 2020, we had received gross proceeds of $132.0 million from sales of convertible preferred equity and borrowed $15.0 million under the 2018 Credit Facility.

We have incurred significant operating losses since inception. We have not generated any revenue since our inception and do not expect to generate any revenue from the sale of products in the near future, if at all. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of our therapies and any future product candidates. Our net losses were $34.7 million and $38.3 million for the years ended December 31, 2019 and 2018, respectively, and $6.4 million and $10.8 million for the three months ended March 31, 2020 and 2019, respectively. We expect to continue to incur significant expenses for at least the next several years as we advance through clinical development, develop additional product candidates and seek regulatory approval of any product candidates that complete clinical development. In addition, if we obtain marketing approval for any product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. We may also incur expenses in connection with the in-licensing or acquisition of additional product candidates. Furthermore, upon the completion of the Merger, we expect to incur additional costs associated with operating as a public company, including significant legal, accounting, investor relations, compliance and other expenses that we did not incur as a private company.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through equity and 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 or delay our pursuit of potential in-licenses or acquisitions.

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. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Recent Developments

Reverse Merger

On June 17, 2020, Olivia Ventures, Inc., Acquisition Sub, Compass Therapeutics, Blockers, Blockers Merger Subs and Blocker Holders entered into the Merger Agreement, pursuant to which Acquisition Sub merged with and into Compass Therapeutics, with Compass Therapeutics continuing as the surviving entity and our wholly-owned subsidiary, and each Blocker Merger Sub merged with and into the applicable Blocker, with each Blocker continuing as the surviving entity and our wholly-owned subsidiary. As a result of the Merger, we acquired the business of Compass Therapeutics.

At the Effective Time, an aggregate of 31,627,139 shares of our common stock were issued to holders of common membership interests of Compass Therapeutics (including common membership interests issued upon the conversion of preferred membership interests) and 7,428,217 shares of our common stock were issued to the holders of equity interests of the Blockers, after adjustments due to rounding for fractional shares. With respect to 15 holders of an aggregate of 131,472 Compass Therapeutics common membership interests who were not accredited investors, we paid an aggregate of approximately $68 thousand in cash in consideration for cancelling such membership interests in connection with the Merger. In addition, 2,930,836 shares of our common stock were reserved for issuance under our 2020 Stock Option and Incentive Plan. Immediately prior to the Effective Time, an aggregate of 4,000,000 of the 5,000,000 shares of our common stock held by pre-Merger stockholders of Olivia Ventures, Inc. were forfeited and surrendered for cancellation.

The Merger and the Blocker Mergers were treated as a recapitalization and reverse acquisition by us for financial reporting purposes. Compass Therapeutics is considered the acquirer for accounting purposes, and our historical financial statements before the Merger will be replaced with the historical financial statements of Compass Therapeutics before the Merger in future filings with the SEC. The Merger is intended to be treated as a tax-free reorganization under Section 368(a) of the Code.

Private Placement Offering

On June 19, 2020, we sold 12,096,442 shares of our common stock pursuant to the initial closing of a private placement offering for up to 14,000,000 shares of our common stock, at a purchase price of $5.00 per share for approximately $54.0 million in net proceeds. The Offering closed on June 19, 2020. We may hold one or more subsequent closings at any time prior to July 19, 2020, unless otherwise extended, to sell any remaining shares in the Offering. We may also sell up to an additional 2,000,000 shares of our common stock at the Offering Price to cover over-subscriptions in the event the Offering is oversubscribed.

COVID-19 Update

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. As of June 2020, COVID-19 has spread to Europe, the United States and many other countries, and has been declared a pandemic by the World Health Organization. In an effort to contain the spread of COVID-19, the United States, Europe and Asia have implemented severe travel restrictions, social distancing requirements, stay-at-home or shelter-in-place orders and have delayed the commencement of non-COVID-19-related clinical trials, among other restrictions. As a result, the COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting our employees, communities and business operations, as well as contributing to significant volatility and negative pressure on the U.S. economy and in financial markets. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or mitigate its impact, and the economic impact on local, regional, national and international markets.

We have been carefully monitoring the COVID-19 pandemic and its potential impact on our business, and have taken important steps to help ensure the safety of our employees and their families and to reduce the spread of COVID-19 community-wide. We have established a work-from-home policy for all employees since mid-March 2020, while ensuring essential staffing levels at our operations remain in place, including maintaining key personnel in our laboratory facilities. For those employees, we have implemented stringent safety measures designed to comply with applicable federal, state and local guidelines instituted in response to the COVID-19 pandemic.

To date, we have been able to continue to pursue our Phase 1 clinical trial without delays or major difficulties despite the COVID-19 pandemic. Nevertheless, we expect that COVID-19 precautions may directly or indirectly impact the timeline for our ongoing clinical trial and potential future trials. We 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.

Components of Results of Operations

Research and development

Research and development expenses consist primarily of costs incurred in connection with the development of our product candidates, CTX-471, CTX-8371 and CTX-8573, and our NKp30 innate cell engager platform, as well as unrelated discovery program expenses. We expense research and development costs as incurred. These expenses include:

- employee-related expenses, including salaries, related benefits and equity-based compensation expense, for employees engaged in research and development functions;
- expenses incurred under agreements with organizations that support our platform program development;
- CMOs that are primarily engaged to provide drug substance and product for our clinical trials, research and development programs, as well as investigative sites and consultants that conduct our clinical trials, nonclinical studies and other scientific development services;
- the cost of acquiring and manufacturing nonclinical and clinical trial materials, including manufacturing registration and validation batches;
- 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 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 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 location where 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;
- raising 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 candidate;
- establishing and maintaining agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if 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;

- the commercialization of our product candidate, if and when approved;
- obtaining and maintaining third-party insurance coverage and adequate reimbursement;
- the acceptance of our product candidate, if approved, by patients, the medical community and third-party payors;
- 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
- a continued acceptable safety profile of our therapies following approval.

A change in the outcome of any of these variables with respect to the development of 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 our business operations. We also anticipate that we will incur increased accounting, audit, legal, regulatory, compliance and director and officer insurance costs, as well as investor and public relations expenses associated with being a public company.

Interest income

Interest income consists primarily of interest income received on our cash and cash equivalents.

Interest expense

Interest expense consists primarily of cash interest under our 2018 Credit Facility that we entered into in March 2018 and the related non-cash interest attributable to the amortization of deferred financing costs incurred in connection with this facility.

Change in fair value of call right liability

Our Series A-1 convertible preferred membership interests issued in 2015 included future tranche participation rights permitting investors to purchase Series A-2 through A-5 convertible preferred membership interests at fixed purchase prices. The call right liability is a freestanding financial instrument that was recorded at its fair value and re-measured at each reporting period until the liability was settled in June 2018.

Change in fair value of derivative liability

Our 2018 Credit Facility includes contingent interest rate reset features and a contingent feature to pay a success fee upon the occurrence of certain liquidity events as defined in the credit agreement. These features have been bifurcated from the 2018 Credit Facility, recorded at their estimated fair values and are re-measured at each reporting period until they are exercised, expire, or otherwise settled.

Realized foreign exchange loss

We recognized foreign exchange losses for payment arrangements that are denominated in currencies other than the U.S. dollar.

Income taxes

Compass Therapeutics LLC, the business that we acquired in the Merger, is treated as a partnership for income tax reporting purposes and therefore, federal and state income taxes are the responsibility of its individual members. As such, no federal or state income taxes related to Compass Therapeutics LLC are recorded in our consolidated financial statements. The wholly-owned subsidiary of Compass Therapeutics LLC, Compass Therapeutics Advisors Inc., is organized as a C corporation and is subject to federal and state income taxes. All such taxes have been recorded in our consolidated financial statements.

Results of Operations

Comparison of the Three Months Ended March 31, 2020 and 2019

The following table summarizes the results of operations of Compass Therapeutics for the three months ended March 31, 2020 and 2019, respectively:

	Three Months Ended March 31,		
	2020	**2019**	**Change**
(in thousands)			
Operating expenses:			
Research and development	$ 3,571	$ 7,243	$ (3,672)
General and administrative	2,260	3,351	(1,091)
Total operating expenses	5,831	10,594	(4,763)
Loss from operations	(5,831)	(10,594)	4,763
Other Income (expense):			
Interest income	41	234	(193)
Interest expense	(276)	(318)	42
Change in fair value of derivative liability	(320)	(57)	(263)
Realized foreign exchange loss	—	(7)	7
Total other income (expense), net	(555)	(148)	(407)
Loss before income tax expense	(6,386)	(10,742)	4,356
Income tax expense	(16)	(29)	13
Net loss	$ (6,402)	$ (10,771)	$ 4,369

Research and development expenses

Research and development expenses decreased by $3.6 million from $7.2 million for the three months ended March 31, 2019 to $3.6 million for the three months ended March 31, 2020. The decrease was primarily attributable to the completion of our preclinical efforts for our product candidate CTX-471 and the related filing of our IND in February 2019. As a result, research and development expenses decreased by $2.2 million, of which $0.6 million was due to a milestone payment we made under the Adimab Agreement. In addition, we initiated efforts to reduce our workforce in April 2019, which resulted in a decrease in salaries and related benefits of $1.4 million. We anticipate our research and development expenses to increase in future periods as we begin our IND-enabling studies for CTX-8371 and continue to further develop our other preclinical product candidates.

General and administrative expenses

General and administrative expenses decreased by $1.1 million from $3.4 million for the three months ended March 31, 2019 to $2.3 million for the three months ended March 31, 2020. The decrease was primarily attributable to our efforts to reduce our workforce in April 2019, which resulted in a decrease in salaries and related benefits of $0.6 million. Our cost reduction efforts also resulted in lower professional fees and facility-related costs of $0.3 million and $0.1 million, respectively. We anticipate our general and administrative expenses to increase in future periods as we expand our operations to support our research and development efforts and operate as a publicly traded company.

Interest income

We recognized interest income of $41,000 and $0.2 million during the three months ended March 31, 2020 and 2019, respectively. The decrease in interest income is primarily attributable to the lower average balance of our cash and cash equivalents.

Interest expense

We recognized interest expense of $0.3 million during each of the three months ended March 31, 2020 and 2019, respectively, as average balance of our debt arrangements was consistent during each period.

Change in fair value of derivative liability

We recognized a change in our derivative liability of $0.3 million and $57,000 during the three months ended March 31, 2020 and 2019, respectively. The increase in fair value of the derivative liability is primarily attributable to the increased likelihood of a liquidity event occurring whereby a success fee payment would be payable to Pacific Western Bank under the 2018 Credit Facility. Upon completion of the Merger in June 2020, which qualified as a liquidity event under the 2018 Credit Facility, we paid a success fee of $1.1 million to Pacific Western Bank.

Realized foreign exchange loss

Our realized foreign exchange losses were immaterial and unchanged during the three months ended March 31, 2020 and 2019, respectively, as we have a limited number of payment arrangements denominated in a currency other that the U.S. dollar.

Income tax expense

During the three months ended March 31, 2020 and 2019, we recognized income tax expenses of $16,000 and $29,000, respectively. Our income tax expense is primarily attributable to the services that our wholly-owned subsidiary, a C corporation, provides at cost plus a profit margin.

Comparison of the Years Ended December 31, 2019 and 2018

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

	Year Ended December 31,		
	2019	2018	Change
(in thousands)			
Operating expenses:			
Research and development	$ 22,449	$ 27,095	$ (4,646)
General and administrative	11,603	11,217	386
Total operating expenses	34,052	38,312	(4,260)
Loss from operations	(34,052)	(38,312)	4,260
Other Income (expense):			
Interest income	743	663	80
Interest expense	(1,228)	(767)	(461)
Change in fair value of call right liability	—	313	(313)
Change in fair value of derivative liability	(104)	(67)	(171)
Realized foreign exchange loss	(12)	(13)	1
Total other income (expense), net	(601)	129	(730)
Loss before income tax expense	(34,653)	(38,183)	3,530
Income tax expense	(91)	(103)	12
Net loss	$ (34,744)	$ (38,286)	$ 3,542

Research and development expenses

Research and development expenses decreased by $4.6 million from $27.1 million for the year ended December 31, 2018 to $22.4 million for the year ended December 31, 2019. The decrease was primarily attributable to the completion of our preclinical efforts for our product candidate CTX-471 and the related filing of our IND in February 2019. As a result, research and development expenses decreased by $5.9 million. In addition, we initiated efforts to reduce our workforce in April 2019 which resulted in a decrease in salaries and related benefits of $0.7 million for the year ended December 31, 2019. These decreases were offset by $1.7 million in milestone payments we made under the Adimab Agreement and $0.3 million in increased facility and related costs during 2019.

General and administrative expenses

General and administrative expenses increased by $0.4 million from $11.2 million for the year ended December 31, 2018 to $11.6 million for the year ended December 31, 2019. The increase was primarily attributable to $0.5 million in compensation and related benefits, including stock-based compensation, that was offset by a $0.1 million decrease in facility and related expenses.

Interest income

Interest income increased by $80,000 during the year ended December 31, 2019 compared to 2018 and was primarily attributable to the increase in cash and cash equivalents following the sale of Series A-5 preferred membership interests in June 2018, and the transfer of our cash and cash equivalents into highly liquid investments with higher interest rates compared to the interest earned on operating cash accounts.

Interest expense

Interest expense was $1.2 million during the year ended December 31, 2019, compared to $0.8 million during the year ended December 31, 2018. The increase of $0.4 million was primarily due to interest paid under the 2018 Credit Facility, which we entered into in March 2018.

Change in fair value of call right liability

The call right liability was settled in June 2018 and was no longer subject to remeasurement. As a result, we had no change in fair value of this liability during the year ended December 31, 2019. The change in fair value of liability during the year ended December 31, 2018 was attributable to the final remeasurement of the liability immediately prior to its settlement.

Change in fair value of derivative liability

We recognized a $0.1 million expense associated with the change in the fair value of our derivative liability during the year ended December 31, 2019, compared to a gain of $67,000 during the year ended December 31, 2018. The increase in fair value of the derivative liability is primarily attributable to the increased likelihood of a liquidity event occurring whereby a success fee payment would be payable to Pacific Western Bank under the 2018 Credit Facility. Upon completion of the Merger in June 2020, which qualified as a liquidity event under the 2018 Credit Facility, we paid a success fee of $1.1 million to Pacific Western Bank.

Realized foreign exchange loss

Our realized foreign exchange losses were relatively small and unchanged during the years ended December 31, 2019 and 2018, respectively, as we have a limited number of payment arrangements denominated in a currency other that the U.S. dollar.

Income tax expense

During the years ended December 31, 2019 and 2018, we recognized income tax expenses of $91,000 and $0.1 million, respectively. Our income tax expense is primarily attributable to the services that our wholly-owned subsidiary, a C corporation, provides at cost plus a profit margin.

Liquidity and Capital Resources

Since our inception, we have not yet generated any revenue from any product sales or any other sources, and we have incurred significant operating losses. 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 convertible preferred equity and borrowings under the 2018 Credit Facility. Through March 31, 2020, we had received gross proceeds of $132.0 million from sales of convertible preferred equity and borrowed $15.0 million under the 2018 Credit Facility. As of March 31, 2020, we had cash and cash equivalents of $17.5 million.

Funding Requirements

Our primary use of cash is to fund operating expenses, primarily research and development expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable, accrued expenses and prepaid expenses. Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the scope, timing, progress and results of discovery, preclinical development, laboratory testing and clinical trials for our product candidates;

- the costs of manufacturing our product candidates for clinical trials and in preparation for marketing approval and commercialization;
- the extent to which we enter into collaborations or other arrangements with additional third parties in order to further develop our product candidates;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the costs and fees associated with the discovery, acquisition or in-license of additional product candidates or technologies;
- our ability to establish additional collaborations on favorable terms, if at all;
- the costs required to scale up our clinical, regulatory and manufacturing capabilities;
- the costs of future commercialization activities, if any, including establishing sales, marketing, manufacturing and distribution capabilities, for any of our product candidates for which we receive marketing approval; and
- revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval.

We will need additional funds to meet operational needs and capital requirements for clinical trials, other research and development expenditures, and business development activities. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical studies.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or 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, limit, reduce or terminate our research, 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.

Cash Flows

The following table shows a summary of our cash flows for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
(in thousands)	**2019**	**2018**	**2020**	**2019**
Cash used in operating activities	$ (31,741)	$ (33,679)	$ (7,761)	$ (10,477)
Cash used in investing activities	(466)	(2,020)	(12)	(319)
Cash provided by financing activities	—	64,031	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (32,207)	$ 28,332	$ (7,773)	$ (10,796)

Operating Activities

During the three months ended March 31, 2020, we used $7.8 million of cash in operating activities, resulting from net loss of $6.4 million and the change in operating assets and liabilities of $2.4 million, offset by non-cash charges of $1.1 million. Our non-cash charges were comprised of depreciation and amortization of $0.5 million, unit-based compensation expense of $0.2 million, a change in fair value of our derivative liability of $0.3 million and non-cash interest expense of $26,000. The change in our operating assets was primarily related to the decrease in our accounts payable and accrued expenses and due to the timing in which we pay our vendors.

During the three months ended March 31, 2019, we used $10.5 million of cash in operating activities, resulting from net loss of $10.8 million and the change in operating assets and liabilities of $0.6 million, offset by non-cash charges of $0.9 million. Our non-cash charges were comprised of depreciation and amortization of $0.5 million, unit-based compensation expense of $0.3 million, a change in fair value of our derivative liability of $57,000 and non-cash interest expense of $33,000. The change in our operating assets was primarily related to the decrease in our accounts payable and accrued expenses.

During the year ended December 31, 2019, we used $31.7 million of cash in operating activities, resulting from net loss of $34.7 million and the change in operating assets and liabilities of $0.3 million, offset by non-cash charges of $3.3 million. Our non-cash charges were comprised of depreciation and amortization of $2.1 million, unit-based compensation expense of $0.9 million, a change in fair value of our derivative liability of $0.1 million and non-cash interest expense of $0.1 million. The change in our operating assets was primarily related to the decrease in our accounts payable offset by the decrease in prepaid expenses and the increase in accrued expenses.

During the year ended December 31, 2018, we used $33.7 million of cash in operating activities, resulting from net loss of $38.3 million, offset by non-cash charges of $2.4 million and the change in operating assets and liabilities of $2.2 million. Our non-cash charges were comprised of depreciation and amortization of $1.9 million, unit-based compensation expense of $0.7 million and non-cash interest expense of $0.1 million, which was offset by a net gain in the change in fair value of our derivative and call right liabilities of $0.2 million. The change in our operating assets was primarily related to the increase in our accounts payable and accrued expenses.

Investing Activities

During the three months ended March 31, 2020 and 2019 and during the years ended December 31, 2019 and 2018, cash used in investing activities was $12,000, $0.3 million, $0.5 million and $2.0 million, respectively, and attributable to the purchases of property and equipment.

Financing Activities

We had no financing activities during the three months ended March 31, 2020 and 2019 and during the year ended December 31, 2019. During the year ended December 31, 2018, cash provided by financing activities was $64.0 million, consisting of $49.0 million in net proceeds received from the sale of our Series A-5 preferred units and $15.0 million in net proceeds from the 2018 Credit Facility.

Indebtedness

In March 2018, we entered into the 2018 Credit Facility with Pacific Western Bank, which consists of $15.0 million in term loans: a $10.0 million Tranche 1 term loan, and a $5.0 million Tranche 2 term loan. We borrowed the $10.0 million Tranche 1 term loan in March 2018 and the $5.0 million Tranche 2 term loan in September 2018.

Pursuant to the 2018 Credit Facility, we provided a first priority security interest in all existing and future acquired assets, excluding intellectual property and certain other assets, owned by us. The 2018 Credit Facility contains a negative pledge on intellectual property owned by us and also contains customary indemnification obligations and customary events of default, including, among other things, (i) non-payment, (ii) breach of warranty, (iii) non-performance of covenants and obligations, (iv) default on other indebtedness, (v) judgments, (iv) change of control, (vii) bankruptcy and insolvency, (viii) impairment of security, (ix) key permit events, (x) key person event, (xi) regulatory matters, (xii) and key contracts. In addition, we must maintain a minimum cash balance of $6.0 million beginning in April 2020. In the event of default under the 2018 Credit Facility, we would be required to pay interest on principal and all other due and unpaid obligations at the current rate in effect plus 5%.

The 2018 Credit Facility matures on March 1, 2022 and bears interest at a rate equal to the greater of 6.25% and 1.5%, plus the prime rate as published by the Wall Street Journal. We are required to make monthly interest and principal payments beginning March 2020 through March 1, 2022 when the 2018 Credit Facility matures. Upon completion of the Merger, which qualified as a liquidity event under the 2018 Credit Facility, we paid a success fee of $1.1 million to the lender.

Future Funding Requirements

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance our lead product candidate into the expansion stage of our Phase I trial and our second product candidate to IND enabling studies. In addition, we expect to incur additional costs associated with operating as a public company. The timing and amount of our operating expenditures will depend largely on:

- the initiation, progress, timing, costs and results of clinical trials for our product candidate or any future product candidates we may develop;
- the initiation, progress, timing, costs and results of nonclinical studies for our product candidates or any future product candidates we may develop;
- our ability to maintain our relationships with 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 maintain or acquiring operating space;
- 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 our existing cash and cash equivalents as of March 31, 2020, plus the net proceeds from the Offering, will enable us to fund our operating expenses and capital expenditure requirements into the fourth quarter of 2021. 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 complete the clinical development of CTX-471, initiate clinical development of CTX-8371, begin IND-enabling studies with CTX-8573, 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 CTX-471, CTX-8371, CTX-8573 or other product candidates, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution, depending on where we choose to commercialize ourselves.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity and debt financings, collaborations, strategic alliances, and marketing, distribution or licensing arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, ownership interest may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include 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 Commitments

The following table summarizes our contractual obligations as of December 31, 2019 and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments due by Period				
(in thousands)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Principal and interest payments on long-term debt[(1)]	$ 16,329	$ 6,526	$ 9,803	$ —	$ —
Operating lease commitments[(2)]	2,079	1,919	160	—	—
Total[(3)]	$ 18,407	$ 8,444	$ 9,963	$ —	$ —

(1) Interest payable reflects the rate in effect as of December 31, 2019. The interest rate on borrowings under the 2018 Credit Facility is variable and resets monthly.

(2) Reflects payments due for our lease of office and laboratory space in Cambridge, Massachusetts under an operating lease agreement that expires in January 2021.

(3) This table does not include (i) any milestone payments that are not deemed probable under license agreements as the timing and likelihood of such payments are not known with certainty, (ii) any royalty payments to third parties as the amounts, timing and likelihood of such payments are not known, and (iii) contracts that are entered into in the ordinary course of business that are not material in the aggregate in any period presented above.

Quantitative and Qualitative Disclosures about Market Risk

Our cash is held on deposit in demand accounts at a large financial institution in amounts in excess of the Federal Deposit Insurance Corporation, or FDIC, insurance coverage limit of $250,000 per depositor, per FDIC-insured bank, per ownership category. We have reviewed the consolidated financial statements of this institution and believe it has sufficient assets and liquidity to conduct its operations in the ordinary course of business with little or no credit risk to us. Financial instruments that potentially subject us to concentrations of credit risk principally consist of cash equivalents. We limit our credit risk associated with cash equivalents by placing investments in highly-rated money market funds.

As discussed above under "*—Liquidity and Capital Resources — Indebtedness*", the 2018 Credit Facility bears interest at a floating interest rate, which resets monthly and is equal to the greater of 6.25% and 1.5%, plus the prime rate as published by the Wall Street Journal. As a result, we are exposed to risks from changes in interest rates. A 1.0% increase in interest rates would have resulted in a $0.1 million increase to our interest expense for the year ended December 31, 2019.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. 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 3 to our consolidated financial statements, which are filed as Exhibit 99.1 to this Report, we believe that the following accounting policies are the most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with the development of our product candidates. We expense research and development costs as incurred.

At the end of each reporting period, we compare payments made to third-party service providers to the estimated progress toward completion of the applicable research or development objectives. Such estimates are subject to change as additional information becomes available. Depending on the timing of payments to the service providers and the progress that we estimate has been made as a result of the service provided, we may record net prepaid or accrued expenses relating to these costs. As of March 31, 2020, we have not made any material adjustments to our prior estimates of accrued research and development expenses.

Valuation of Derivative Liability

Our derivative liability is comprised of the contingent interest rate reset features and a contingent feature to pay a success fee upon the occurrence of certain liquidity events under the 2018 Credit Facility. At issuance and at each reporting period, we are required to estimate the fair value of the derivative liability using a probability-weighted expected return method. This method requires judgment when estimating the timing and probability of future events, such as a change in control event, future liquidity events, and repayment of our debt obligation under the 2018 Credit Facility. We then apply a risk-adjusted discount rate reflecting the expected risk profile for each of the potential settlement scenarios and relating timing. Due to the nature of and inputs in the model used to assess the fair value of the future tranche rights, it is not abnormal to experience significant fluctuations during each remeasurement period.

Unit-Based Compensation

The following table summarizes unit-based compensation expense resulting from profits interests:

	Year ended December 31,		Three months ended March 31,	
(in thousands)	**2019**	**2018**	**2020**	**2019**
Research and development	$ 383	$ 284	$ 81	$ 114
General and administrative	532	372	166	111
Total unit-based compensation	$ 915	$ 656	$ 247	$ 255

We measure profits interests and other unit-based awards based on their estimated 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, while awards containing a performance condition are recognized when the achievement of the performance criteria is considered probable. We apply the straight-line method of expense recognition to all awards with service-based vesting conditions.

We estimate the fair value of profits interests using the Black-Scholes option-pricing model, which requires subjective assumptions, including the fair value of membership interests, volatility, the expected term of profits interests, the risk-free interest rate for a period that approximates the expected term of profits interests, and expected dividend yield. Certain assumptions used in our Black-Scholes option-pricing model represent management's best estimates and involve a number of variables, uncertainties and assumptions and the application of management's judgment, as they are inherently subjective. If any assumptions change, our unit-based compensation expense could be materially different in the future.

These assumptions are estimated as follows:

- *Risk-free interest rate.* The risk-free interest rate was based on the yields of U.S. Treasury securities with maturities commensurate with the expected term of the stock option.
- *Expected dividend yield.* We have not paid dividends on our member units nor do we expect to pay dividends in the foreseeable future.
- *Expected term.* The expected term represents the period that our profits interests are expected to be outstanding. We calculated the expected term using the simplified method based on the average of each profits interest's vesting term and the contractual period during which the award can be exercised, which is typically 10 years following the date of grant.
- *Expected volatility.* The expected volatility was based on the historical stock volatility of several of our comparable publicly traded companies over a period of time equal to the expected term of the profits interests, as we do not have any trading history to use the volatility of our own member units.
- *Fair value of member units.* As our member units have not historically been publicly traded, we have periodically estimated the fair value of our units. See "*— Estimating the Fair Value of Member Units*".

Estimating the Fair Value of Member Units

As there has been no public market for our membership interests to date, their estimated fair value has been determined by our board of directors as of the date of each profits interest grant, with input from management, considering our most recently available third-party valuation of member units, 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*. In addition to considering the results of these third-party valuations, our board of directors considered various objective and subjective factors to determine the fair value of our membership interests as of each grant date, including:

- the prices at which we sold preferred membership interests and the superior rights and preferences of the preferred membership interests relative to our membership interests at the time of each grant;

- the progress of our commercialization efforts;
- the progress of our research and development programs, including the status and results of preclinical studies for our product candidates;
- our stage of development and our business strategy;
- external market conditions affecting the medical device industry and trends within the medical device industry;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common and preferred membership interests;
- the likelihood of achieving a liquidity event, such as an initial public offering, or IPO, reverse merger, or sale of our company in light of prevailing market conditions; and
- the analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry.

In determining the estimated fair value of membership interests, our board of directors considered the subjective factors discussed above in conjunction with the most recent valuations of our membership interests that were prepared by an independent third-party. The foregoing valuation methodologies are not the only methodologies available and they will not be used to value our common stock after the closing of the Merger. We cannot make assurances as to any particular valuation for our common stock. Accordingly, we caution you not to place undue reliance on the foregoing valuation methodologies as an indicator of future stock prices.

Off-Balance Sheet Arrangements

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

Recently Issued and Adopted Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 3 to our consolidated financial statements, which are filed as Exhibit 99.1 to this Report.

Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with GAAP. As a result of becoming a public company, we will be required, under Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting beginning with our Annual Report on Form 10-K for the year ending December 31, 2020. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The SEC defines a material weakness as a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim consolidated financial statements will not be detected or prevented on a timely basis.

In accordance with the provisions of the Sarbanes-Oxley Act, neither we nor our independent registered public accounting firm has performed an evaluation of our internal control over financial reporting during any period included in this Report.

JOBS Act Accounting Election

Under Section 107(b) of 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 made the election to delay the adoption of such accounting standards as provided in the JOBS Act. 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 that would otherwise require us to (i) submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay", "say-on-frequency", and "golden parachutes"; and (ii) 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: (i) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our equity securities pursuant to a registration statement under the Securities Act; (ii) the last day of the fiscal year in which our total annual gross revenue is equal to or more than $1.07 billion; (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.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information relating to the beneficial ownership of our common stock, as of June 23, 2020, immediately following the closing of the Merger and the Offering, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of outstanding shares of common stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with SEC rules, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of June 23, 2020 through the exercise of any stock option, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by such person.

The percentage of shares beneficially owned is computed on the basis of 52,151,798 shares of common stock outstanding as of June 23, 2020, after giving effect to the Merger and the Offering. Shares of common stock that a person has the right to acquire within 60 days of June 23, 2020 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise indicated below, the address for each beneficial owner is c/o Compass Therapeutics, Inc., 245 First Street, 3rd Floor, Cambridge, Massachusetts 02142.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares beneficially Owned
Greater than 5% Stockholders:		
OrbiMed Private Investments V-KA, LP[(1)]	12,714,404	24.9%
Anderson Entities[(2)]	5,290,270	10.3%
F-Prime Entities[(3)]	4,122,414	8.1%
Cowen Healthcare Investments Entities[(4)]	3,181,683	6.2%
Consonance Entities[(5)]	3,000,000	5.9%
Borealis Ventures Entities[(6)]	2,749,256	5.4%
Named Executive Officers and Directors:		
Thomas Schuetz, MD, Ph.D.[(7)]	4,525,467	8.8%
Vered Bisker-Leib, Ph.D., MBA[(8)]	513,401	1.0%
Phil Ferneau, MBA, J.D.[(6)]	169,914	*
Carl L. Gordon, Ph.D., CFA[(1)]	12,714,404	24.9%
Steven Squinto, Ph.D.[(1)(9)]	34,540	*
Julie Sunderland, MBA[(10)]	2,502,025	4.9%
All current directors and executive officers as a group (6 persons)	20,459,751	40.0%

* Indicates beneficial ownership of less than 1% of the total outstanding common stock.

(1) Consists of 12,714,404 shares of common stock owned directly by OrbiMed Private Investments V-KA, LP, or OPI V. OrbiMed Capital GP V LLC, or GP V, is the general partner of OPI V. OrbiMed Advisors LLC, or OrbiMed, is the managing member of GP V. By virtue of such relationships, GP V and OrbiMed may be deemed to have voting and investment power over the shares held by OPI V and as a result may be deemed to have beneficial ownership of such shares. OrbiMed exercises voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and Jonathan T. Silverstein, each of whom disclaims beneficial ownership of the shares held by OPI V. Each of Carl L. Gordon, a member of OrbiMed, and Stephen Squinto, an executive partner of OrbiMed, is a member of our Board. Each of GP V, OrbiMed, Dr. Gordon and Dr. Squinto disclaims beneficial ownership of the shares held by OPI V, except to the extent of its or his pecuniary interest therein, if any. The address for the OrbiMed entities is c/o OrbiMed Advisors LLC, 601 Lexington Avenue, 54th Floor, New York, New York 10022.

(2) Consists of (i) 2,041,633 shares of common stock held of record by Errik Anderson, (ii) 1,203,096 shares of common stock held of record by Ulysses Consolidated, LLC, (iii) 1,661,899 shares of common stock held of record by GTP AW Fund I, LLC, and (iv) 383,642 shares of common stock held of record by GTP AW Fund II, LLC. Mr. Anderson exercises sole voting and investment power of the securities held by the entities described above in clauses (i), (ii) and shared voting and investment power of the securities held by the entities described above in clauses (iii) and (iv). Mr. Anderson disclaims beneficial ownership of the shares held by such entities, except to the extent of any actual pecuniary interest. The address for Mr. Anderson and his affiliated entities is 44 South Main Street, 3rd Fl, Hanover, NH 03755.

(3) Consists of (i) 2,299,440 shares of common stock held of record by F-Prime Capital Partners HC Cambridge Fund IV LP, or F-Prime Cambridge IV, (ii) 1,351,050 shares of common stock held of record by F-Prime Capital Partners HC International Fund IV LP, or F-Prime International IV, and (iii) 471,924 shares of common stock held of record by F-Prime Capital Partners Healthcare Fund IV LP, or F-Prime Healthcare Fund. F-Prime Capital Partners Healthcare Advisors Fund IV LP, or F-Prime Advisors IV, is the general partner of each of F-Prime Cambridge IV, F-Prime International IV and F-Prime Healthcare Fund. F-Prime Advisors IV is solely managed by Impresa Management LLC, the managing member of its general partner and its investment manager. Impresa Management LLC is owned, directly or indirectly, by various shareholders and employees of FMR LLC. Each of the entities listed above expressly disclaims beneficial ownership of the shares listed above except to the extent of any pecuniary interest therein. The address of these entities is 245 Summer Street, Boston, MA 02210.

(4) Consists of (i) 667,264 shares of common stock held of record by Cowen Private Investments LP, or CPI, and (ii) 2,514,419 shares of common stock held of record by CHO II Holdco LP, or CHI II. CHI Advisors LLC, the investment adviser of CPI and CHI II has voting and investment power with respect to the shares held by each of CPI and CHI II. The address for CPI and CHI II is c/o CHI Advisors LLC, 599 Lexington Avenue, 19th Floor, New York, New York 10022.

(5) Consists of (i) 1,000,000 shares of common stock owned directly by Consonance Capital Master Account L.P., or Consonance Master, (ii) 626,211 shares of common stock owned directly by P Consonance Opportunities Ltd., or P Consonance, and (iii) 1,373,789 shares of common stock owned directly by Consonance Capital Opportunity Master Fund, LP, or Consonance Opportunity Master. Consonance Capital Management LP, or the Capital Management Adviser, is the investment adviser of Consonance Master and Consonance Opportunity Master, and pursuant to investment advisory agreements, the Capital Management Adviser exercises voting and investment power over the common stock held by Consonance Master and Consonance Opportunity Master. Consonance Capital Opportunity Fund Management LP, or the Capital Opportunity Adviser, is the investment adviser of P Consonance, and pursuant to an investment advisory agreement, the Capital Opportunity Adviser exercises voting and investment power over the common stock held by P Consonance. Consonance Capman GP LLC, or Capman, is the general partner of the Capital Management Adviser and the Capital Opportunity Advisor and Mitchell Blutt, as the Manager & Member of Capman and Chief Executive Officer of the Capital Management Adviser and the Capital Opportunity Advisor, may be deemed to control Capman, the Capital Management Adviser and the Capital Opportunity Advisor. Mr. Blutt, as the Manager & Member of Capman, may be deemed to control Capman. Each of Capman and Mr. Blutt may be deemed to beneficially own these common stock. The address for Consonance Master, P Consonance, Consonance Opportunity Master, the Capital Management Adviser, the Capital Opportunity Advisor, Capman and Mr. Blutt is 1370 Avenue of the America, Floor 33, New York, New York 10019.

(6) Consists of (i) 2,579,342 shares of common stock owned directly by Borealis Granite Fund, L.P. and (ii) 169,914 shares of common stock owned directly by Vox Health Fund, L.P. Borealis Capital Partners III, LLC is the general partner of Borealis Granite Fund, L.P. Borealis Capital Partners IV, LLC is the general partner of Vox Health Fund, L.P. Phil Ferneau, a member of our board of directors, is a managing partner of Borealis Ventures. Voting and investment decisions with respect to the securities held by Borealis Granite Fund, L.P. are made by a committee of three or more individuals, none of whom individually has the power to direct such decisions. Mr. Ferneau holds a majority ownership interest in Borealis Capital Partners IV, LLC and is the designated manager with voting and investment power over the shares held by Vox Health Fund, L.P. Mr. Ferneau disclaims beneficial ownership of the shares held by Borealis Granite Fund, L.P., except to the extent of any actual pecuniary interest. The address for Borealis Granite Fund, L.P. and Vox Health Fund, L.P. is 10 Allen Street, Hanover, NH 03755.

(7) Includes 586,546 shares of restricted stock over which Mr. Schuetz has voting power.

(8) Includes 410,530 shares of restricted stock over which Ms. Bisker-Leib has voting power.

(9) Includes 916 shares of restricted stock over which Mr. Squinto has voting power.

(10) Consists of 2,502,025 shares of common stock owned directly by Biomatics – Compass, Inc. Julie Sunderland, a member of our board of directors, is the co-founder of and a managing partner at Biomatics Capital Partners, and exercises sole voting and investment power of the securities held by Biomatics – Compass, Inc. The address for Biomatics – Compass, Inc. is 245 Main St., Cambridge, MA 02142.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

At the Merger Effective Time, each of Phil Ferneau, Carl L. Gordon, Thomas Schuetz, Steven Squinto and Julie Sunderland was appointed to our board of directors, and constitute our board of directors as of the date of this Report. Our executive management team was also reconstituted immediately following the Merger Effective Time by the appointment of each of Thomas Schuetz and Vered Bisker-Leib, and the resignation of Mark Tompkins and Ian Jacobs from all of their positions as officers with us. The following table sets forth the name and positions of each of our directors and executive officers after the Merger.

Directors and Executive Officers

Below are the names of, and certain information regarding, our current executive officers and directors who were appointed effective as of the closing of the Merger:

Name	Age	Position(s)
Executive Officers		
Thomas Schuetz, M.D., Ph.D[1]	59	Chief Executive Officer, President and Director
Vered Bisker-Leib, Ph.D., MBA	49	Chief Operating Officer
Non-Employee Directors		
Phil Ferneau, MBA, J.D.[1][2]	58	Director
Carl L. Gordon, Ph.D., CFA[2]	55	Director
Steven Squinto, Ph.D.[3]	63	Director
Julie Sunderland, MBA[1][3]	47	Director

(1) Member of audit committee.

(2) Member of compensation committee.

(3) Member of nominating and corporate governance committee.

Executive Officers

Thomas J. Schuetz, M.D., Ph.D., has served as Compass's Chief Executive Officer since 2014. He has over 20 years of experience in oncology, biopharmaceutical drug development and life science venture investing. Dr. Schuetz co-founded Compass in 2014 following conceptual discussions while he was a venture partner at OrbiMed Advisors. As a physician-scientist and serial entrepreneur, he aspired to create an antibody therapeutic company based on novel biology, protein engineering and key medical insights gathered throughout his career. While at OrbiMed, Dr. Schuetz co-founded Audentes Therapeutics, now a publicly traded biotechnology company where he remains a director. Also at OrbiMed, he participated in the investments in Enobia Pharma, Relypsa and Arteaus Therapeutics, and served as a director at each of those companies. Enobia was acquired by Alexion Pharmaceuticals in 2011, Relypsa was acquired by Galencia in 2016 and Arteaus was acquired by Eli Lilly in 2014. Dr. Schuetz has multiple years of clinical strategy, development and operations experience including roles as chief medical officer of Therion Biologics Corporation, a cancer vaccine company, and as the vice president of clinical affairs at Transkaryotic Therapies, a company acquired by Shire. Dr. Schuetz completed his medical training at Massachusetts General Hospital, where he served as the chief medical resident, and completed a medical oncology fellowship at the Dana-Farber Cancer Institute. Dr. Schuetz holds a B.S. in chemistry from Xavier University, an M.D. from Harvard Medical School and a Ph.D. in genetics from Harvard University. He is board certified in medical oncology. We believe that based on Dr. Schuetz's knowledge of our company, industry and business and his service as Compass's Chief Executive Officer, Dr. Schuetz is qualified to serve on our board of directors.

Vered Bisker-Leib, Ph.D., MBA, joined Compass in 2017 as its chief business officer and was promoted to Chief Operating Officer in 2020. In this role, she leads a team that spearheads finance, corporate development, strategy, operations, and public and investor relations. She also currently serves as the interim head of legal affairs. Prior to Compass, Dr. Bisker-Leib served as an executive-in-residence with Atlas Venture, where she provided business guidance to seed-stage companies. Previously, Dr. Bisker-Leib was the chief business officer of Cydan, a biotech accelerator, where she co-founded biotech companies focused on therapies addressing rare diseases. Before joining Cydan, Dr. Bisker-Leib was a member of Bristol-Myers Squibb's strategic transactions group where she assumed roles of increasing responsibility across five therapeutic areas, most recently as an executive director and global head of business development for the cardiovascular and metabolic franchises. Dr. Bisker-Leib earned her Ph.D. in chemical engineering and MBA from University of Massachusetts, Amherst, where she was a Lois Pope MBA Scholar. She has a B.Sc. in chemical engineering from the Israel Institute of Technology in Haifa.

Board Composition

Non-Employee Directors

Phil Ferneau, MBA, J.D., has served as a member of the board of directors of Compass Therapeutics since 2015. Mr. Ferneau is co-founder and Managing Partner of Borealis Ventures, a venture capital firm focused on healthcare opportunities. He currently leads Borealis' investments in Adimab, Amagma Therapeutics, Avitide, Compass Therapeutics, Evox Therapeutics, Orbit Discovery, Ovation.io, and Teckro. Mr. Ferneau was also responsible for the firm's prior investments in Avedro (IPO, then acquired by Glaukos: GKOS), GlycoFi (acquired by Merck & Co.), M2S (acquired by AIG Altaris Health Partners), and Vets First Choice (now Covetrus: CVET). Mr. Ferneau received an A.B. degree from Dartmouth College, a J.D. from the University of Virginia School of Law and an M.B.A. (with High Distinction) from the Tuck School of Business at Dartmouth. We believe that Mr. Ferneau is qualified to serve on our board of directors based on his extensive investment experience.

Carl L. Gordon, Ph.D., CFA, has served as a member of the board of directors of Compass Therapeutics since 2015. Dr. Gordon is a founding member, Managing Partner, and Co-Head of Global Private Equity at OrbiMed Advisors LLC, an investment firm. From 2014 to 2019 Forbes Magazine named Mr. Gordon one of the top venture capitalists in the world when it placed him on the Forbes' Midas List. Dr. Gordon currently serves on the boards of directors of Keros Therapeutics Inc., ORIC Pharmaceuticals Inc., Turning Point Therapeutics, Inc., and Prevail Therapeutics, Inc., as well as several private companies. Dr. Gordon previously served on the boards of directors of several biopharmaceutical companies, including Alector Inc., Arsanis, Inc. (which merged with X4 Pharmaceuticals), Acceleron Pharma Inc., ARMO Biosciences, Inc., Intellia Therapeutics, Inc., Passage Bio Inc., Selecta Biosciences, Inc., and SpringWorks Therapeutics Inc. Dr. Gordon received a B.A. in Chemistry from Harvard College, a Ph.D. in Molecular Biology from the Massachusetts Institute of Technology and was a Fellow at The Rockefeller University. We believe that Dr. Gordon is qualified to serve on our board of directors due to his scientific expertise, extensive business experience, and experience in venture capital and the life science industry.

Steven Squinto, Ph.D., has served as a member of the board of directors of Compass Therapeutics since 2015. Dr. Squinto is an executive partner with OrbiMed Advisors LLC and has over twenty-five years of biotechnology industry experience. Dr. Squinto was a co-founder of Alexion Pharmaceuticals, Inc. and served as its executive vice president and chief global operations officer. Prior to 2013, he was Alexion's global head of research and development. From 1988 to 1992, Dr. Squinto held various positions at Regeneron Pharmaceuticals, Inc. Prior to Regeneron, he held a joint academic position at both the Tulane University and LSU Medical Schools. He is a recipient of numerous honors and awards from academic and professional organizations for his scientific work. Dr. Squinto currently serves on the board of directors of Springworks Therapeutics, Inc. and Passage Bio. Dr. Squinto previously served on the boards of directors of Arvinas, Inc. and Audentes Therapeutics, Inc. Dr. Squinto received his B.A. in chemistry and Ph.D. in biochemistry and biophysics from Loyola University of Chicago. We believe that Dr. Squinto is qualified to serve as a director based on his industry experience, including his operational experience in drug discovery and development, and service on multiple company boards.

Julie Sunderland, MBA, has served as a member of the board of directors of Compass Therapeutics since 2019. Ms. Sunderland is the co-founder of and a managing partner at Biomatics Capital Partners. Prior to founding Biomatics in 2016, Ms. Sunderland was director of program-related investments for the Bill & Melinda Gates Foundation. In that role, she led the foundation's $1.5 billion strategic investment pool, funded 50 investments, including 30 in healthcare, and built a team of 10 investment professionals. Ms. Sunderland also chaired Bill & Melinda Gates Foundation's investment committee, which reviews all program-related investments. Prior to that role, she advised foundations, development finance institutions and governments on venture capital, SME financing and technical assistance programs. She also sits on the board of directors for several of Biomatics' portfolio companies including Aledade, BlackThorn, eGenesis and Verana Health. Ms. Sunderland holds a B.A. from Harvard University, an MBA from Wharton Business School and an M.A. from Johns Hopkins School of Advanced International Studies. We believe that Ms. Sunderland is qualified to serve as a director based on her industry experience and service on multiple company boards.

Director Independence

Our securities are not listed on a national securities exchange or on any inter-dealer quotation system that has a requirement that a majority of directors be independent. We evaluate independence by the standards for director independence set forth in the Nasdaq Marketplace Rules. Under such rules, our board of directors has determined that all members of the board of directors, except Thomas Schuetz are independent directors. Thomas Schuetz is not an independent director under these rules because he is an executive officer of our company. In making such independence determination, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances that our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. In considering the independence of the directors listed above, our board of directors considered the association of our directors with the holders of more than 5% of our common stock. We expect that the composition and functioning of our board of directors and each of our committees will comply with applicable Nasdaq requirements and the rules and regulations of the SEC. There are no family relationships among any of our directors and executive officers.

Staggered Board of Directors

In accordance with the terms of our amended and restated certificate of incorporation, our board of directors will be divided into three staggered classes of directors as follows:

- Class I director will be Julie Sunderland;
- Class II directors will be Phil Ferneau and Carl L. Gordon; and
- Class III directors will be Thomas Schuetz and Steven Squinto.

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 amended and restated certificate of incorporation and amended and restated bylaws provide that the number of directors will be fixed from time to time by a resolution of a majority vote of the directors then in office.

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.

Role of Board in Risk Oversight Process

We have established a role of the chairperson of the board, who will be Carl L. Gordon, and we plan to keep this role separated from the role of Chief Executive Officer. We believe that separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while the chairperson of the board will 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 chairperson of the board, particularly as the board of directors' oversight responsibilities continue to grow.

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 Report. 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 risk management is conducted primarily through the 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 chairperson 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.

Board Committees

As our common stock is not presently listed for trading or quotation on a national securities exchange, we are not presently required to have board committees. However, our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which operates pursuant to a charter adopted by our board of directors. The composition and functioning of all of our committees complies with all applicable requirements of the Sarbanes-Oxley Act and SEC rules and regulations, and we intend to comply with those of Nasdaq.

Audit Committee

Thomas Schuetz, Phil Ferneau and Julie Sunderland serve on the audit committee, which is chaired by Phil Ferneau. Our board of directors has determined that Phil Ferneau and Julie Sunderland are “independent” for audit committee purposes as that term is defined under SEC and Nasdaq Marketplace Rules, and each has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our board of directors has designated Phil Ferneau as an “audit committee financial expert”, as defined under the applicable rules of the SEC. 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;
- reviewing the overall audit plan with our independent registered public accounting firm and members of management responsible for preparing our 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 will be included in our Annual Report on Form 10-K;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our 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 making recommendations to our board of directors regarding all such transactions; and
- reviewing earnings releases.

Compensation Committee

Phil Ferneau and Carl L. Gordon serve on the compensation committee, which is chaired by Carl L. Gordon. Our board of directors has determined that each member of the compensation committee is "independent" as defined under the Nasdaq Marketplace Rules. The compensation committee's responsibilities include:

- annually reviewing and approving the corporate goals and objectives to be considered in determining 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 recommending to the independent directors on the board of directors regarding 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;
- evaluating and assessing potential and current compensation advisors in accordance with the independence standards identified in the Nasdaq Marketplace 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 the compensation committee report required by SEC rules, if and when required, to be included in our annual proxy statement; and
- reviewing and approving the retention, termination or compensation of any consulting firm or outside advisor to assist in the evaluation of compensation matters.

Nominating and Corporate Governance Committee

Steven Squinto and Julie Sunderland serve on the nominating and corporate governance committee, which is chaired by Steven Squinto. Our board of directors has determined that each member of the nominating and corporate governance committee is "independent" under the Nasdaq Marketplace Rules. 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;
- periodically reviewing and reassessing the adequacy of the code of business conduct and ethics and the 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

None of the members of our compensation committee 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.

Board Diversity

Our nominating and corporate governance committee is responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and for its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, will take into account many factors, including the following:

- personal and professional integrity;
- ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly held company;
- experience in the industries in which we compete;
- experience as a director or executive officer of another publicly held company;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- conflicts of interest; and
- practical and mature business judgment.

Our board of directors evaluates each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best maximize the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The code of business conduct and ethics is available on our website at https://www.compasstherapeutics.com/. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website. The reference to our web address does not constitute incorporation by reference of the information contained at, or available through, our website.

Limitation on Liability and Indemnification Matters

Our certificate of incorporation contains, and our amended and restated certificate of incorporation will contain, provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our certificate of incorporation and bylaws provide, and our amended and restated certificate of incorporation and amended and restated bylaws will provide, that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our bylaws also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his, her or its actions in that capacity regardless of whether we would otherwise be permitted to indemnify him, her or it under Delaware law.

In addition to the indemnification required in our certificate of incorporation and bylaws (and, upon their effectiveness, our amended and restated certificate of incorporation and amended and restated bylaws), we have entered or intend to enter into indemnification agreements with each of our directors, officers and certain other employees. These agreements will provide for the indemnification of our directors, officers and certain other employees for all reasonable expenses and liabilities incurred in connection with any action or proceeding brought against them by reason of the fact that they are or were our agents. We believe that these provisions in our certificate of incorporation, bylaws, amended and restated certificate of incorporation, amended and restated bylaws and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. This description of the limitation of liability and indemnification provisions of our certificate of incorporation, bylaws, amended and restated certificate of incorporation, amended and restated bylaws and indemnification agreements is qualified in its entirety by reference to these documents, each of which is attached as an exhibit to this Report.

The limitation on liability and the indemnification provisions in our certificate of incorporation, bylaws, amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under 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, officers or employees 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, officer or employee.

Involvement in Certain Legal Proceedings

None of our directors or executive officers has been involved in any of the following events during the past 10 years:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; or
- being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

NON-EMPLOYEE DIRECTOR COMPENSATION

Compass Therapeutics became our wholly owned subsidiary upon the closing of the Merger on June 17, 2020. The following summarizes the compensation earned by the non-employee directors of Compass Therapeutics for the fiscal year ending December 31, 2019. Other than as set forth in the table below, we did not pay any compensation, make any additional equity awards or non-equity awards to, or pay any other compensation to any of the non-employee members of our board of directors for the fiscal year ending December 31, 2019. Directors who also serve as employees received no additional compensation for their service as directors.

Director Compensation Table

NAME	FEES EARNED OR PAID IN CASH($)	STOCK AWARDS($)[1]	TOTAL ($)
Steven Tregay.	50,000	—	50,000
Stephen Squinto	45,000	—	45,000
Carl Gordon	—	—	—
Phil Ferneau	—	—	—
Timothy Anderson	—	—	—
Benjamin Auspitz	—	—	—
Stephen Knight	—	—	—
Julie Sunderland	—	—	—
Errik Anderson	—	—	—

(1) As of December 31, 2019, Dr. Tregay and Dr. Squinto held 15,625 and 13,542 unvested incentive units, respectively.

During fiscal year 2019, Mr. Tregay received an annual cash retainer of $50,000 and Mr. Squinto received an annual cash retainer of $45,000. We also reimburse non-employee members of our board of directors for reasonable travel and out-of-pocket expenses incurred in attending meetings of our board of directors and committees of our board of directors. We intend to reevaluate our director compensation arrangements following the Merger.

EXECUTIVE COMPENSATION

From our inception to the date of this Report, no compensation was earned by or paid to our executive officers. Compass Therapeutics became our wholly owned subsidiary upon the closing of the Merger on June 17, 2020, and its senior management became our senior management. The following summarizes the compensation earned by the executive officers of Compass Therapeutics named in "*—Summary Compensation Table*" below (referred to herein as our "named executive officers") for the fiscal year ended December 31, 2019.

This section also discusses the material elements of the executive compensation policies and decisions of Compass Therapeutics and important factors relevant to an analysis of these policies and decisions. It provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our named executive officers and is intended to place in perspective the information presented in the following tables and the corresponding narrative. The following section is historical and has not been adjusted to give effect to the Merger or the related Share Conversion.

Overview

Historically, the executive compensation program of Compass Therapeutics has reflected its growth and corporate goals. To date, the compensation of the named executive officers has consisted of a combination of base salary, annual cash bonus, and long-term equity incentive compensation in the form of incentive units, and other employee benefits generally available to the company's employees.

The named executive officers of Compass Therapeutics for the year ended December 31, 2019 were as follows:

- Thomas J. Schuetz, M.D., Ph.D., Chief Executive Officer;
- Vered Bisker-Leib, Ph.D., MBA, Chief Operating Officer; and
- Michael Schmidt, Ph.D., former Senior Vice President of Research.

Compensation Decisions

Compensation decisions are primarily made by the compensation committee. The compensation committee meets annually to discuss the progress of the company toward its strategic and business goals, and performance of the executive management of the company. In addition, the compensation committee determines and approves the compensation of the executive officers, including the named executive officers. The compensation committee also meets periodically on an ad hoc basis to address miscellaneous compensation matters.

Elements of Executive Compensation

Base Salaries. Base salaries for the named executive officers are determined annually by the board of directors or compensation committee, based on the scope of each officer's responsibilities along with his or her respective experience and contributions during the prior year. When reviewing base salaries, the board of directors takes factors into account such as each officer's experience and individual performance, the company's performance as a whole, data from surveys of compensation paid by comparable companies, and general industry conditions, but does not assign any specific weighting to any factor.

Annual Cash Bonuses. Prior to the Merger, all of the named executive officers were eligible to receive annual discretionary cash bonuses from Compass Therapeutics and, following the Merger, all of the named executive officers will participate in the Compass Therapeutics, Inc. annual cash bonus program, which promotes and rewards the executives for the achievement of key strategic and business goals. For 2019, the compensation committee assessed the performance of each of the executive officers, and considered the promotion of the Chief Business Officer to Chief Operating Officer and of the Vice President of Research to Senior Vice President of Research. Accordingly, Dr. Bisker-Leib and Dr. Schmidt received discretionary cash bonuses based on performance in 2019 equal to $160,876 and $143,550, respectively. Dr. Schuetz elected to receive his bonus in additional equity.

Equity Awards. The board of directors believes that equity grants provide executives with a strong link to the company's long-term performance, create an ownership culture and help to align the interests of executive officers and the company's equityholders. Accordingly, the compensation committee periodically reviews the equity incentive compensation of the named executive officers and from time to time may grant equity incentive awards to them. During fiscal year 2019, Compass Therapeutics granted an aggregate of 5,800,000 incentive units to Dr. Schuetz, 3,350,000 incentive units to Dr. Bisker-Leib, and 2,275,000 incentive units to Dr. Schmidt.

Other Benefits. The named executive officers are eligible for additional benefits, such as participation in our 401(k) plan, life insurance and health benefits that are generally available to all employees.

Summary Compensation Table

The following table sets forth information regarding compensation awarded to, earned by or paid to each of the named executive officers for the periods ending December 31, 2019.

NAME AND PRINCIPAL POSITION	YEAR	SALARY($)	BONUS($)	STOCK AWARDS($)[1]	TOTAL($)
Thomas J. Schuetz, M.D., Ph.D. *Chief Executive Officer*	2019	400,000	-	973,843	1,373,843
Vered Bisker-Leib, Ph.D., MBA *Chief Operating Officer*	2019	325,000	160,875	569,159	1,055,034
Michael Schmidt, Ph.D. *Former Senior VP of Research*[2]	2019	256,529	143,550	372,564	772,643

(1) The amounts represent the fair value of the stock awards as of the grant date as computed in accordance with FASB ASC Topic 718, not including any estimates of forfeitures. The assumptions used in calculating the grant date fair value of the stock awards reported in the Stock Awards column are set forth in Note 9 to our financial statements for the year ended December 31, 2019. Note that the amounts reported in this column reflect the accounting cost for these stock awards, and do not correspond to the actual economic value that may be received by the named executive officers from the awards.

(2) Dr. Schmidt resigned in February 2020.

Outstanding Equity Awards at Fiscal Year-End 2019

The following table sets forth information concerning outstanding equity awards for each of the named executive officers as of December 31, 2019 and the numbers below have not been adjusted to give effect to the Merger and the related Share Conversion:

		Stock Awards			
Name and Principal Position	**Vesting Commencement Date[1]**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)[2]**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[2]**
Thomas J. Schuetz, M.D., Ph.D.	2/22/2018	1,194,905	255,808	-	-
Chief Executive Officer	7/3/2019[4]	2,508,333	436,304	-	-
	12/20/2019	3,000,000	501,755	-	-
Vered Bisker-Leib, Ph.D., MBA	12/1/2017	750,000	160,562	-	-
Chief Operating Officer	-	-	-	750,000[5]	160,562
	7/3/2019[4]	1,209,375	210,361	-	-
	12/20/2019	2,000,000	334,504	-	-
Michael Schmidt, Ph.D.	7/27/2015[6]	57,500	3,213	-	-
Senior VP of Research[3]	9/1/2016	3,750	441	-	-
	3/1/2017	17,188	2,813	-	-
	2/22/2018	108,333	23,192	-	-
	7/3/2019[4]	1,321,354	229,839	-	-
	12/20/2019	800,000	133,801	-	-

(1) Unless otherwise noted below, all stock awards are incentive units that follow a standard vesting schedule which provides for 25% of the total units vesting on the first anniversary of the vesting commencement date and the balance of the total units vesting in equal monthly installments on the last day of each of the next 36 one-month periods. All such stock awards are also subject to full acceleration in the event that the holder of such award is terminated without "cause" or resigns for "good reason" within one year of an "acquisition", as such terms are defined in the applicable award agreement.

(2) The amount represents the fair market value of the unvested or unearned incentive units as of December 31, 2019.

(3) Dr. Schmidt resigned in February 2020. Upon his resignation, Dr. Schmidt forfeited 2,271,667 incentive units.

(4) The total units vest in equal monthly installments following the vesting commencement date on the last day of each of the next 48 one-month periods.

(5) In 2018, we granted 750,000 incentive units to Dr. Bisker-Leib, which vest as follows upon the achievement of a business milestone: 25% of the total units vesting on the first anniversary of the achievement of the business milestone and the balance of the total units vesting in equal monthly installments on the last day of each of the next 36 one-month periods.

(6) 50% of the total units vested four years following the vesting commencement date and 50% vest six years following vesting commencement date.

Employment Arrangements with our Named Executive Officers

Thomas J. Schuetz, M.D., Ph.D.

Dr. Schuetz, our Chief Executive Officer and co-founder, has been employed by Compass Therapeutics since June of 2014. Dr. Schuetz does not have an employment agreement or an employment letter with Compass Therapeutics.

Vered Bisker-Leib, Ph.D., MBA

On November 8, 2017, Compass Therapeutics entered into an offer letter with Dr. Bisker-Leib for the position of Chief Business Officer. The offer letter provides for her at-will employment and sets forth her initial base salary and bonus target, initial equity award, and eligibility for the company's benefit plans generally. Effective January 1, 2020, Dr. Bisker-Leib was promoted to Chief Operating Officer pursuant to a promotion letter. In connection with her promotion, she received a salary increase and an additional equity award.

Michael Schmidt, Ph.D.

On July 2, 2015, Compass Therapeutics entered into an offer letter with Dr. Michael Schmidt for the position of Director of Protein Engineering. The offer letter provides for his at-will employment and sets forth his initial base salary and bonus target, initial equity award, and eligibility for the company's benefit plans generally. In May 2019, Dr. Schmidt was promoted to Senior Vice President of Research. Mr. Schmidt resigned from Compass Therapeutics in February 2020.

Employee Benefit Plans

2020 Stock Option and Incentive Plan

Our 2020 Stock Option and Incentive Plan, or 2020 Plan, was adopted by our board of directors and approved by our stockholders on June 17, 2020. The 2020 Plan will allow the compensation committee to make equity-based incentive awards to our officers, employees, directors and other key persons, including consultants.

Authorized Shares. We have initially reserved 2,930,836 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 each January 1, beginning on January 1, 2021, by the lesser of (i) 4% of the outstanding number of shares of our common stock on the immediately preceding December 31 or (ii) such number of shares as determined by the plan administrator no later than the immediately preceding December 31. This number will be 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 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, under the 2020 Plan will be added back to the shares of common stock available for issuance under the 2020 Plan. The maximum number of shares of common stock that may be issued as incentive stock options in any one calendar year period may not exceed the Initial Limit cumulatively increased on January 1, 2021 and on each January 1 thereafter by the lesser of 4% of the number of outstanding shares of common stock as of the immediately preceding December 31, or 2,930,836 shares.

Non-Employee Director Limit. Our 2020 Plan contains a limitation whereby the value of all awards under our 2020 Plan and all other cash compensation paid by us to any non-employee director may not exceed $500,000.

Administration. The 2020 Plan will be administered by our compensation committee. Our compensation committee will have full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2020 Plan. The plan administrator 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.

Eligibility. Persons eligible to participate in the 2020 Plan will be those employees, non-employee directors and consultants, as selected from time to time by our compensation committee in its discretion.

Options. 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.

Stock Appreciation Rights. Our compensation committee may award stock appreciation rights 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 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.

Restricted Stock and Restricted Stock Units. 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 or other service relationship with us through a specified vesting period.

Unrestricted Stock Awards. Our compensation committee may 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.

Dividend Equivalent Rights. 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 common stock.

Cash-Based Awards. Our compensation committee may grant cash bonuses under the 2020 Plan to participants, subject to the achievement of certain performance goals.

Sale Event. 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 for the 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, the 2020 Plan and all awards granted under the 2020 Plan shall terminate. In such case, except as may be otherwise provided in the relevant award agreement, all options and stock appreciation rights with time-based vesting, conditions or restrictions that are not exercisable immediately prior to the sale event will become fully exercisable as of the sale event, all other awards with time-based vesting, conditions or restrictions will become fully vested and nonforfeitable as 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 the sale event in the plan administrator's discretion or to the extent specified in the relevant award agreement. 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 time period, as determined by the compensation committee, 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 cash payment to participants holding vested and exercisable options and stock appreciation rights equal to the difference between the per share cash consideration payable to stockholders in the sale event and the exercise price of the options or stock appreciation rights; provided, that any options or stock appreciation rights with exercise prices equal to or greater than such per share cash consideration will be cancelled for no consideration. We may also make or provide for a payment, in cash or in kind, to the participants holding other awards in an amount equal to the per share cash consideration payable to stockholders in the sale event multiplied by the number of vested shares of common stock under such awards.

Amendment. Our board of directors may amend or discontinue the 2020 Plan and our compensation committee can amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose, but no such action may adversely and materially affect rights under an award without the holder's consent. Certain amendments to the 2020 Plan or the terms of outstanding options or stock appreciation rights will require the approval of our stockholders.

No awards may be granted under the 2020 Plan after the date that is 10 years from the date on which the 2020 Plan became effective. No awards under the 2020 Plan have been made prior to the date hereof.

Senior Executive Cash Incentive Bonus Plan

On June 17, 2020, our board of directors adopted the Senior Executive Cash Incentive Bonus Plan, or the Bonus Plan, which became effective following the Merger. The Bonus Plan is administered by our compensation committee. The Bonus Plan provides for cash bonus payments based upon the attainment of performance targets established by our compensation committee. The payment targets will be related to financial and operational measures or objectives with respect to our company, or corporate performance goals, as well as individual performance objectives.

Our compensation committee may select corporate performance goals from among the following: developmental, publication, clinical or regulatory milestones and results; cash flow (including, but not limited to, operating cash flow and free cash flow); 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, licenses or strategic transactions; financing or other capital raising transactions; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; total shareholder return; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; bookings, new bookings or renewals; sales or market shares; number of prescriptions or prescribing physicians; coverage decisions; leadership development, employee retention, and recruiting and other human resources matters; operating income and/or net annual recurring revenue, any of which may be (i) measured in absolute terms or compared to any incremental increase, (ii) measured in terms of growth, (iii) compared to another company or companies or to results of a peer group, (iv) measured against the market as a whole and/or as compared to applicable market indices and/or (v) measured on a pre-tax or post-tax basis (if applicable).

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 calculated in accordance with our financial statements, GAAP, or under a methodology established by our compensation committee at the beginning of the performance period and which is consistently applied with respect to a corporate performance goal in the relevant performance period. The compensation committee will measure the corporate performance goals after our financial reports for the applicable performance period 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. 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 and provides the compensation committee with discretion to adjust the size of the award as it deems appropriate.

Retirement Plan

We offer a 401(k) plan to eligible employees, including our named executive officers. In accordance with this plan, all eligible employees may contribute a percentage of compensation up to a maximum of the statutory limits per year. As of December 31, 2019, we did not make contributions to the plan. We implemented a 4% matching contribution as of January 1, 2020, as well as a discretionary match. We intend for the 401(k) plan to qualify, depending on the employee's election, under Section 401(a) of the Code, so that contributions by employees, and income earned on those contributions, are not taxable to employees until withdrawn from the 401(k) plan.

Indemnification of Officers and Directors

We have agreed to indemnify our directors and executive officers in certain circumstances. See "*Directors, Executive Officers, Promoters and Control Persons—Limitation on Liability and Indemnification Matters*".

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

SEC rules require us to disclose any transaction or currently proposed transaction in which we were a participant and in which any related person has or will have a direct or indirect material interest involving the lesser of $120,000 or 1% of the average of our total assets as of the end of last two completed fiscal years, which are referred to as related party transactions. A related person is any executive officer, director, nominee for director or holder of 5% or more of our common stock, or an immediate family member of any of those persons. The descriptions set forth above under the captions "*The Merger and Related Transactions—Merger Agreement*", "*—the Offering*", "*—Registration Rights*", "*—2020 Stock Option and Incentive Plan*", "*Executive Compensation—Employment and Related Agreements*" and "*Non-Employee Director Compensation*" and below under "*Description of Securities*" are incorporated herein by reference.

The following is a description of related party transactions since January 1, 2017 in which any of our directors, executive officers or holders of more than 5% of Compass Therapeutics' pre-Merger equity capital, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest, other than compensation and other arrangements that are described in the section titled "*Executive Compensation*". The following description is historical and has not been adjusted to give effect to the Merger.

Sales and Purchases of Securities

Sales of Series A-4B Preferred Units

In July 2017 and December 2017, Compass Therapeutics issued an aggregate of 22,216,583 Series A-4B preferred units to accredited investors at a price per unit of $0.9834 for aggregate gross proceeds of approximately $21.8 million. The table below sets forth the number of Series A-4B preferred units sold to our directors, executive officers or holders of more than 5% of Compass Therapeutics' pre-Merger equity capital, or an affiliate or immediate family member thereof. Each of Compass Therapeutics' Series A-4B preferred units was converted into approximately 1.75 shares of our common stock in connection with the Merger.

Purchasers	Series A-4B Preferred Units	Aggregate Purchase Price
Thomas J. Schuetz	712,844	$ 701,011
OrbiMed Private Investments V- KA LP	10,872,176	10,691,698
F-Prime Entities[(1)]	3,513,403	3,455,081
Cowen Healthcare Investments Entities[(2)]	4,067,520	3,999,999
Borealis Ventures Entities[(3)]	1,016,880	1,000,000

(1) Consists of (i) 1,300,277 Series A-4B preferred units owned by F-Prime Capital Partners HC International Fund IV LP, and (ii) 2,213,126 Series A-4B preferred units owned by F-Prime Capital Partners HC Cambridge Fund IV LP. See footnote 3 to the beneficial ownership table in the section "*Security Ownership of Certain Beneficial Owners and Management*" for a description of the affiliation of the F-Prime entities.

(2) Consists of (i) 3,793,276 Series A-4B preferred units owned by Cowen Healthcare Investments II LP, and (ii) 274,244 Series A-4B preferred units owned by CHI EF II LP. See footnote 4 to the beneficial ownership table in the section "*Security Ownership of Certain Beneficial Owners and Management*" for a description of the affiliation of the Cowen Healthcare Investments entities.

(3) Consists of 1,016,880 Series A-4B preferred units owned by Vox Health Fund, L.P. See footnote 5 to the beneficial ownership table in the section "*Security Ownership of Certain Beneficial Owners and Management*" for a description of the affiliation of the Borealis Ventures entities.

Sales of Series A-5 Preferred Units

In June 2018, Compass Therapeutics issued an aggregate of 44,739,689 Series A-5 preferred units to accredited investors at a price per unit of $1.10 for aggregate gross proceeds of approximately $49.2 million. The table below sets forth the number of Series A-5 preferred units sold to our directors, executive officers or holders of more than 5% of Compass Therapeutics' pre-Merger share capital, or an affiliate or immediate family member thereof. Each of Compass Therapeutics' Series A-5 preferred units was converted into approximately 0.85 shares of our common stock, in connection with the Merger.

Purchasers	Series A-5 Preferred Units	Aggregate Purchase Price
Thomas J. Schuetz	447,397	$ 492,137
OrbiMed Private Investments V- KA LP	5,225,596	$ 5,748,156
Anderson Entities[(1)]	3,149,674	3,464,641
F-Prime Entities[(2)]	1,776,165	1,953,781
Cowen Healthcare Investments Entities[(3)]	10,451,192	11,496,311
Borealis Ventures Entities[(4)]	1,046,909	$ 1,151,600
Rivendell Investments 2016-6 LLC	10,451,192	$ 11,496,311

(1) Consists of (i) 724,783 Series A-5 preferred units owned by GTP AW Fund I LLC, (ii) 1,811,957 Series A-5 preferred units owned by GTP AW Fund II LLC, and (iii) 612,934 Series A-5 preferred units owned by Ulysses Consolidated LLC. See footnote 2 to the beneficial ownership table in the section "*Security Ownership of Certain Beneficial Owners and Management*" for a description of the affiliation of the Anderson entities.

(2) Consists of (i) 657,673 Series A-5 preferred units owned by F-Prime Capital Partners HC International Fund IV LP, and (ii) 1,118,492 Series A-5 preferred units owned by F-Prime Capital Partners HC Cambridge Fund IV LP. See footnote 3 to the beneficial ownership table in the section "*Security Ownership of Certain Beneficial Owners and Management*" for a description of the affiliation of the F-Prime entities.

(3) Consists of (i) 7,147,185 Series A-5 preferred units owned by Cowen Healthcare Investments II LP, (ii) 516,724 Series A-5 preferred units owned by CHI EF II LP, and (iii) 2,787,283 Series A-5 preferred units owned by Cowen Private Investments LP. See footnote 4 to the beneficial ownership table in the section "*Security Ownership of Certain Beneficial Owners and Management*" for a description of the affiliation of the Cowen Healthcare Investments entities.

(4) Consists of 1,046,909 Series A-5 preferred units owned by Borealis Granite Fund, L.P. See footnote 5 to the beneficial ownership table in the section "*Security Ownership of Certain Beneficial Owners and Management*" for a description of the affiliation of the Borealis Ventures entities.

Participation in the Offering

Certain of our existing institutional investors, including investors affiliated with certain of our directors, have purchased an aggregate of 7.1 million shares of our common stock in the Offering, for an aggregate gross purchase price of $35.5 million. Such purchases were made on the same terms as the shares that were sold to other investors in the Offering and not pursuant to any pre-existing contractual rights or obligations.

Indemnification Agreements and Directors' and Officers' Liability Insurance

We have entered into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses, such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer.

Employment Agreements and Offer Letters

At the parent company level, we do not have employment agreements with Thomas J. Schuetz, our Chief Executive Officer, and Vered Bisker-Leib, our Chief Operating Officer.

On November 8, 2017, our subsidiary, Compass Therapeutics, entered into an offer letter with Dr. Bisker-Leib for the position of Chief Business Officer. The offer letter provides for her at-will employment and sets forth her initial base salary and bonus target, initial equity award, and eligibility for the company's benefit plans generally. Effective January 1, 2020, Dr. Bisker-Leib was promoted to Chief Operating Officer pursuant to a promotion letter. In connection with her promotion, she received a salary increase and an additional equity award. The offer letter and promotion letter remain in place with Compass Therapeutics, which became our wholly owned subsidiary following the Merger.

Compass Therapeutics does not have an offer letter with Dr. Schuetz.

Other Transactions

We have granted incentive units to our executive officers. For a description of these incentive units granted to such individuals, see the section titled "*Executive Compensation*". We have also granted incentive units to certain members of the board of directors. For a description of these incentive units, see the section titled "*Non-Employee Director Compensation*".

Policies and Procedures for Related-Person Transactions

Our board of directors has adopted a written related-person transaction policy, to be effective upon the consummation of the Merger, setting forth the policies and procedures for the review and approval or ratification of related-person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's-length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is not listed on a national securities exchange, an over-the-counter market or any other exchange. Therefore, there is no trading market, active or otherwise, for our common stock and our common stock may never be included for trading on any stock exchange, automated quotation system or any over-the-counter market.

As of the date of this Report, we have 52,151,798 shares of common stock outstanding held by 210 stockholders of record.

Dividend Policy

We have never paid any cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon financial condition, results of operations, capital requirements and such other factors as the board of directors deems relevant.

Shares Eligible for Future Sale

Prior to the Merger, there has been a limited public market for our common stock. Future sales of our common stock, including shares issued upon the exercise of options or warrants that we may issue, in the public market after the Merger, or the perception that those sales may occur, could cause the prevailing price for our common stock to fall or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after consummation of the Merger due to contractual and legal restrictions on resale described below. Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Upon the completion of the initial closing of the Offering, we had 52,151,798 shares of common stock outstanding, of which our directors and executive officers beneficially own an aggregate of 7,745,345 shares. Of those outstanding shares, no shares of common stock are freely tradable, without restriction, as of the date of this Report. No shares issued in connection with the Merger or the Offering can be publicly sold under Rule 144 under the Securities Act until 12 months after the date of filing this Report.

Lock-up Agreements

Our officers, directors and stockholders have agreed that, subject to certain exceptions, they will not, for a period commencing on the closing date of the Merger and ending on the earlier of (i) nine months following such date or (ii) the listing of our common stock on The Nasdaq Stock Market or the New York Stock Exchange, dispose of, or enter into any swap, hedge or similar arrangement regarding, any shares of common stock or securities convertible into or exercisable or exchangeable for shares of common stock. The lock-up restriction does not apply to shares of common stock purchased or to be purchased in the Offering and shares of common stock acquired in the open market following the Offering.

Sale of Restricted Shares

Of the approximately 52,151,798 shares of common stock outstanding upon completion of the Offering, all of such shares will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

Rule 144

Pursuant to Rule 144 promulgated under the Securities Act, sales of the securities of a former shell company, such as us, under that rule are not permitted (i) until at least 12 months have elapsed from the date on which this Report, reflecting our status as a non-shell company, is filed with the SEC and (ii) unless at the time of a proposed sale, we are subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and have filed all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months, other than Current Reports on Form 8-K. We intend to register such shares for sale under the Securities Act, but are currently a "voluntary filer" and are not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act. As a result, unless we register such shares for sale under the Securities Act, most of our stockholders will be forced to hold their shares of our common stock for at least that 12-month period before they are eligible to sell those shares, and even after that 12-month period, sales may not be made under Rule 144 unless we and the selling stockholders are in compliance with other requirements of Rule 144.

In general, Rule 144 provides that (i) any of our non-affiliates that has held restricted common stock for at least 12 months is thereafter entitled to sell its restricted stock freely and without restriction, provided that we remain compliant and current with our SEC reporting obligations, and (ii) any of our affiliates, which includes our directors, executive officers and other person in control of us, that has held restricted common stock for at least 12 months is thereafter entitled to sell its restricted stock subject to the following restrictions: (a) we are compliant and current with our SEC reporting obligations, (b) certain manner of sale provisions are satisfied, (c) a Form 144 is filed with the SEC, and (d) certain volume limitations are satisfied, which limit the sale of shares within any three-month period to a number of shares that does not exceed 1% of the total number of outstanding shares or, if our common stock is then listed or quoted for trading on a national securities exchange, then the greater of 1% of the total number of outstanding shares and the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of the Form 144 with respect to the sale. A person who has ceased to be an affiliate at least three months immediately preceding the sale and who has owned such shares of common stock for at least one year is entitled to sell the shares under Rule 144 without regard to any of the limitations described above.

Regulation S

Regulation S under the Securities Act provides that shares owned by any person may be sold without registration in the U.S., provided that the sale is effected in an offshore transaction and no directed selling efforts are made in the U.S. (as these terms are defined in Regulation S), subject to certain other conditions. In general, this means that our shares of common stock may be sold in some other manner outside the United States without requiring registration in the United States.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement, in compliance with Rule 701 under the Securities Act, before the effective date of the Merger (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act in reliance on Rule 144, but without compliance with the holding period requirements contained in Rule 144. Accordingly, subject to any applicable lock-up agreements, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our "affiliates," as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreements described above, if applicable).

Registration Rights

Registration Rights Agreement. In connection with the Merger and the Offering, we entered into the Registration Rights Agreement, pursuant to which we have agreed that promptly, but no later than 60 calendar days from the final closing of the Offering, we will file, subject to customary exceptions, a Registration Statement covering Registrable Shares, which include: (i) the shares of our common stock issued as a result of the Share Conversion, (ii) the shares of our common stock issued in the Offering, and (iii) 1,000,000 shares of our common stock held by the stockholders of Olivia Ventures, Inc. prior to the Merger. We will use our commercially reasonable efforts to ensure that the Registration Statement is declared effective by the Registration Effectiveness Date, which is the date within 150 calendar days after the final closing of the Offering. Subject to customary exceptions, if (i) we are late in filing the Registration Statement, (ii) the Registration Statement is not declared effective within 150 days after the Registration Effectiveness Date, (iii) we fail to maintain the effectiveness of the Registration Statement, (iv) the holders of Registrable Shares cannot use the Registration Statement to resell the Registrable Shares for a period of more than 15 consecutive trading days (except for suspension of the use of the Registration Statement during certain blackout periods), or (v) following the listing or inclusion for quotation on the OTC Markets Group, the Nasdaq, the NYSE, or the NYSE American, trading of our common stock is suspended or halted for more than three full, consecutive trading days, we will make payments to each holder of Registrable Shares as monetary penalties at a rate equal to 12% per annum of the total value of Registrable Shares held or purchased by such holder and affected during the period, based on the Offering Price; provided that the maximum amount of monetary penalties paid by us will not exceed 5% of such total value. No monetary penalties will accrue with respect to (i) any Registrable Shares removed from the Registration Statement in response to a comment from the staff of the SEC limiting the number of shares of common stock which may be included in the Registration Statement, (ii) any Registrable Shares excluded from a Registration Statement because a holder fails to provide information concerning the holder and the manner of distribution of the holder's Registrable Shares that is required by SEC rules to be disclosed, and (iii) any circumstance in which the SEC does not declare the Registration Statement effective on or before 180 days after the final closing of the Offering, and the reason for the SEC's determination is that (a) the offering of any of the Registrable Shares constitutes a primary offering of securities by the Company, (b) Rule 415 may not be relied upon for the registration of the resale of any or all of the Registrable Shares, and/or (c) a holder of any Registrable Shares must be named as an underwriter and such holder does not consent to be so named in the Registration Statement. Notwithstanding the previous sentence, if the SEC does not declare the Registration Statement effective before the Registration Effectiveness Date, in certain circumstances, we may still be liable for liquidated damages if we do not continue to use our commercially reasonable efforts at the first opportunity that is permitted by the SEC to register for resale all such Registrable Securities, using one or more registration statements that we are then entitled to use. Any cutback resulting from a comment from the staff of the SEC limiting the number of shares of common stock which may be included in the Registration Statement will be allocated to the Registrable Shares pro rata based on the total number of such shares held by or issuable to each holder thereof.

We must use commercially reasonable efforts to keep the Registration Statement or a successor registration statement effective for five years from the date it is declared effective by the SEC or until the date on which all Registrable Shares have been transferred other than to certain enumerated permitted assignees under the Registration Rights Agreement. Subject to certain requirements, holders of Registrable Securities also have the right to demand the Company effect secondary underwritten offerings or block trades.

We will pay all expenses in connection with the registration obligations provided in the Registration Rights Agreement, including, without limitation, all registration, filing, and stock exchange fees, printing expenses, all fees and expenses of complying with applicable securities laws, the fees and disbursements of our counsel and of our independent accountants, and the reasonable fees and disbursements of a single counsel to the holders of the Registrable Securities, not to exceed $35,000. Each holder will be responsible for its own sales commissions, if any, transfer taxes and the expenses of any other attorney or advisor such holder decides to employ.

All descriptions of the Registration Rights Agreement herein are qualified in their entirety by reference to the text thereof filed as Exhibit 10.5 hereto and incorporated herein by reference.

Stock Plans

We intend to file with the SEC a registration statement under the Securities Act covering the shares of common stock that are outstanding or reserved for issuance under the 2020 Plan. Such registration statement is expected to be filed and become effective as soon as practicable after the consummation of the Merger and the registration of our shares of common stock with the SEC pursuant to a registration statement on Form S-1. Accordingly, shares registered under such registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

DESCRIPTION OF SECURITIES

We have authorized capital stock consisting of 50,000,000 shares of common stock and 5,000,000 shares of preferred stock. Following the filing of an amended and restated certificate of incorporation reflecting the capitalization increase, our authorized capital stock will consist of 300,000,000 shares of common stock, par value $0.0001 per share, and 10,000,000 shares of preferred stock, par value $0.0001 per share. Except as otherwise provided in the certificate of designation of any series of preferred stock we may issue, the number of authorized shares of common stock or preferred stock may from time to time be increased or decreased (but not below the number of shares of such class outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of our capital stock.

As of the date of this Report, we had 52,151,798 shares of common stock issued and outstanding, and no shares of preferred stock issued and outstanding. Unless stated otherwise, the following discussion summarizes the term and provisions of our amended and restated certificate of incorporation and our amended and restated bylaws.

Common Stock

The holders of outstanding shares of common stock are entitled to receive dividends out of assets or funds legally available for the payment of dividends of such times and in such amounts as the board of directors from time to time may determine. Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. There is no cumulative voting of the election of directors then standing for election. The common stock is not entitled to pre-emptive rights and is not subject to conversion or redemption. Upon liquidation, dissolution or winding up of our company, the assets legally available for distribution to stockholders are distributable ratably among the holders of the common stock after payment of liquidation preferences, if any, on any outstanding payment of other claims of creditors. Each outstanding share of common stock is duly and validly issued, fully paid and non-assessable.

Preferred Stock

Shares of preferred stock may be issued from time to time in one or more series, each of which will have such distinctive designation or title as may be determined by our board of directors prior to the issuance of any shares thereof. Preferred stock will have such voting powers, full or limited, or no voting powers, and such preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated in such resolution or resolutions providing for the issue of such class or series of preferred stock as may be adopted from time to time by the board of directors prior to the issuance of any shares thereof.

While we do not currently have any plans for the issuance of additional preferred stock, the issuance of such preferred stock could adversely affect the rights of the holders of common stock and, therefore, reduce the value of the common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of the common stock until the board of directors determines the specific rights of the holders of the preferred stock; however, these effects may include:

- Restricting dividends on the common stock;
- Diluting the voting power of the common stock;
- Impairing the liquidation rights of the common stock; or
- Delaying or preventing a change in control of our company without further action by the stockholders.

Other than in connection with shares of preferred stock, which preferred stock is not currently designated nor contemplated by us, and the division of our board of directors into three classes with staggered three-year terms, we do not believe that any provision of our amended and restated certificate of incorporation or amended and restated bylaws would delay, defer or prevent a change in control.

Other Convertible Securities

As of the date hereof, other than the securities described above, we do not have any outstanding convertible securities.

Anti-Takeover Effects of Provisions of our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws and Delaware Law

Some provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could make the following transactions more difficult: (i) acquisition of us by means of a tender offer (ii) acquisition of us by means of a proxy contest or otherwise, or (iii) removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the price of our common stock.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a person deemed an "interested stockholder" from engaging in a "business combination" with a publicly held Delaware corporation for three years following the date such person becomes an interested stockholder unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, such as discouraging takeover attempts that might result in a premium over the price of our common stock.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our company. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Special Stockholder Meetings

Our amended and restated bylaws provide that a special meeting of stockholders may be called only by a majority of our board of directors then in office.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation will eliminates the right of stockholders to act by written consent without a meeting.

Classified Board; Election and Removal of Directors

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of our common stock outstanding will be able to elect all of our directors. In addition, our directors may not be removed without cause, and removal of our directors for cause will require a supermajority (66 2/3%) stockholder vote. For more information on the classified board of directors, see the section titled *"Management—Board Composition"*. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Choice of Forum

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any state law claims for: (i) any derivative action or proceeding brought on behalf of our company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to the company or our stockholders, (iii) any action asserting a claim against our company arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws, (iv) any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or bylaws, or (v) any action asserting a claim against our company governed by the internal affairs doctrine. This exclusive forum provision will not apply to any causes of action arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Unless we consent in writing to the selection of an alternate forum, the United States District Court for the District of Massachusetts is the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, as our principal executive office is located Cambridge, Massachusetts. Although our amended and restated bylaws contain the choice of forum provision described above, it is possible that a court could rule that such provisions are inapplicable for a particular claim or action or that such provisions are unenforceable.

Amendment of Charter and Bylaw Provisions

The amendment of any of the above provisions in our amended and restated certificate of incorporation and amended and restated bylaws, except for the provision making it possible for our board of directors to issue convertible preferred stock, would require a supermajority (66 2/3% and majority of the minority, if applicable) stockholder vote.

The provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation and amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Limitations of Liability and Indemnification Matters

For a discussion of liability and indemnification, see the section titled "*Directors, Executive Officers, Promoters and Control Persons—Limitation on Liability and Indemnification Matters*".

Transfer Agent

We have appointed American Stock Transfer & Trust Company to serve as transfer agent and registrar for our common stock.

LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business.

We are currently not aware of any pending legal proceedings to which we are a party or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by any governmental authority.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES

The Offering

The information regarding the Offering set forth in Item 2.01, "*Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions—The Offering*" and "*Description of Securities*" is incorporated herein by reference.

In June 19, 2020, in connection with the Offering, we issued an aggregate of 12,096,442 shares of common stock at a price of $5.00 per share for aggregate gross consideration of approximately $50.0 million to 110 accredited investors. These transactions were exempt from registration under Section 4(a)(2) of the Securities Act as not involving any public offering or Regulation D promulgated thereunder.

Securities Issued in Connection with the Merger

On June 17, 2020, pursuant to the terms of the Merger Agreement, all of the common membership interests of Compass Therapeutics (including common membership interests issued upon the conversion of preferred membership interests) held by accredited investors were converted into an aggregate of 39,055,356 shares of our common stock. These transactions were exempt from registration under Section 4(a)(2) of the Securities Act as not involving any public offering or Regulation D promulgated thereunder. None of the securities were sold through an underwriter and, accordingly, there were no underwriting discounts or commissions involved.

Sales of Unregistered Securities of Compass Therapeutics

The following list sets forth information as to all securities Compass Therapeutics sold from January 1, 2017 through immediately prior to the consummation of the Merger, which were not registered under the Securities Act. The following description is historical and has not been adjusted to give effect to the Merger.

1. In July 2017 and December 2017, Compass Therapeutics issued an aggregate of 22,216,583 Series A-4B preferred membership interests to accredited investors at a price per unit of $0.9834 for aggregate gross proceeds of approximately $21.8 million.

2. In June 2018, Compass Therapeutics issued an aggregate of 44,739,689 Series A-5 preferred membership interests to accredited investors at a price per unit of $1.10 for aggregate gross proceeds of approximately $49.2 million.

3. Compass Therapeutics issued an aggregate of 21,511,739 incentive units to directors, officers, employees and consultants in connection with the provision of services to Compass Therapeutics.

ITEM 3.03 MATERIAL MODIFICATION TO RIGHTS OF SECURITY HOLDERS.

The information contained in Item 5.03, *"Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year"* is incorporated herein by reference.

ITEM 4.01 CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT.

Effective as of the Merger Effective Time (i) Raich Ende Malter & Co. LLP, or REM, was dismissed as the independent registered public accounting firm of the Company, and (ii) our board of directors engaged CohnReznick LLP as the independent registered public accounting firm to audit the Company's financial statements for the fiscal year ending December 31, 2020.

REM's audit report to our financial statements for the fiscal years ended March 31, 2018 and 2019, respectively, did not contain an adverse opinion or a disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended March 31, 2018 and 2019, respectively, and the subsequent interim period through the date of REM's dismissal, there were no disagreements with REM on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of REM, would have caused it to make reference to the subject matter thereof in connection with its report.

During the fiscal years ended March 31, 2018 and 2019 and the subsequent interim period through the date of REM's dismissal, neither the Company nor anyone acting on its behalf consulted CohnReznick LLP regarding the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements.

We have provided REM with a copy of this Report prior to the filing hereof and have requested that REM furnish to us a letter addressed to the SEC stating whether REM agrees with the statements made by us under this Item 4.01. REM has furnished such letter, which letter is filed as Exhibit 16.1 hereto, as required by Item 304(a)(3) of Regulation S-K.

ITEM 5.01 CHANGES IN CONTROL OF REGISTRANT.

The information regarding change of control of Olivia Ventures, Inc. in connection with the Merger set forth in Item 2.01, "*Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions*" is incorporated herein by reference.

ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

The information regarding departure and election of our directors and departure and appointment of our principal officers in connection with the Merger set forth in Item 2.01, "*Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions*" is incorporated herein by reference.

For information regarding the terms of employment of our newly appointed executive officers, see "*Executive Compensation*" and "*Certain Relationships and Related Transactions—Employment Agreements and Offer Letters*" in Item 2.01 of this Report, which description is incorporated herein by reference. For certain biographical, related party and other information regarding our newly appointed executive officers, see the disclosure under the headings "*Directors, Executive Officers, Promoters and Control Persons*" and "*Certain Relationships and Related Transactions*" in Item 2.01 of this Report, which disclosures are incorporated herein by reference.

For information about compensation to our directors, see "*Directors, Executive Officers, Promoters and Control Persons—Director Compensation*" in Item 2.01 of this Report, which description is incorporated herein by reference. For information about the committees each director serves on, see "*Directors, Executive Officers, Promoters and Control Persons—Board Committees*" in Item 2.01 of this Report, which description is incorporated herein by reference. There are no arrangements or understandings pursuant to which any of our current directors was appointed as a director. For certain biographical, related party and other information regarding our newly appointed directors, see the disclosure under the headings "*Directors, Executive Officers, Promoters and Control Persons*" and "*Certain Relationships and Related Transactions*" in Item 2.01 of this Report, which disclosures are incorporated herein by reference.

Reference is made to the descriptions of the 2020 Plan set forth under the heading *"Executive Compensation—Equity Compensation Plans"* in Item 2.01 of this Report, which descriptions are incorporated herein by reference. The descriptions of the 2020 Plan contained in this Report does not purport to be complete, and are qualified in their entirety by reference to the full text of applicable plans, which is attached hereto as Exhibit 10.1, respectively, and are incorporated herein by reference.

ITEM 5.03 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR

Amendments to Articles of Incorporation

Prior to the Merger, our board of directors approved the amendment and restatement of our certificate of incorporation on June 17, 2020, and as described under Item 5.07, *"Submission of Matters to a Vote of Security Holders"*, stockholders holding 100% of the then outstanding shares of our common stock approved the amendment and restatement to our certificate of incorporation on June 17, 2020. See the description of the amended and restated certificate of incorporation in Item 2.01, *"Completion of Acquisition or Disposition of Assets—Description of Securities—Anti-Takeover Effects Provisions of our Amended and Restated Certificate of Incorporation, our Bylaws and Delaware Law"* for a summary of its terms. Our amended and restated certificate of incorporation is filed as Exhibit 3.2 hereto and is incorporated herein by reference.

Amendments to Bylaws

Prior to the Merger, on June 17, 2020, we amended and restated our bylaws in their entirety. See the description of the amended and restated bylaws in Item 2.01, *"Completion of Acquisition or Disposition of Assets—Description of Securities—Anti-Takeover Effects Provisions of our Amended and Restated Certificate of Incorporation, our Bylaws and Delaware Law"*. Our amended and restated bylaws are filed as Exhibit 3.3 hereto and is incorporated herein by reference.

Change in Fiscal Year

In connection with the Merger, our board of directors approved a change in our fiscal year end from March 31 to December 31 to align with the fiscal year end of Compass Therapeutics, such change to be effective immediately following the Merger. Following such change, our current fiscal year will end on December 31, 2020.

ITEM 5.06 CHANGE IN SHELL COMPANY STATUS.

Prior to the Merger, we were a "shell company" (as such term is defined in Rule 12b-2 under the Exchange Act). As a result of the Merger, we have ceased to be a shell company. The information contained in this Report, together with the information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and our subsequent Current Reports on Form 8-K, as filed with the SEC, constitute the current "Form 10 information" necessary to satisfy the conditions contained in Rule 144(i)(2) under the Securities Act.

ITEM 8.01 OTHER EVENTS.

The Company issued a press release entitled "Compass Completes Reverse Merger and Closes $60 Million Private Placement" on June 23, 2020 announcing the Merger and the Offering, a copy of which is attached hereto as Exhibit 99.4 and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) As a result of its acquisition of Compass Therapeutics, LLC as described in Item 2.01, the registrant is filing herewith audited financial statements for Compass Therapeutics, LLC as of and for the fiscal years ended December 31, 2018 and 2019 as Exhibit 99.1 to this Report.

(b) As a result of its acquisition of Compass Therapeutics, LLC as described in Item 2.01, the registrant is filing herewith unaudited financial information as of and for the quarterly period ended March 31, 2020 is attached as Exhibit 99.2 to this Report.

(c) Unaudited pro forma combined financial information as of and for the fiscal year ended December 31, 2019 is attached as Exhibit 99.3 to this Report.

(d) Shell Company Transactions. Reference is made to Items 9.01(a) and 9.01(b) and the exhibits referred to therein, which are incorporated herein by reference.

(e) Exhibits.

Exhibit	Description
2.1	Agreement and Plan of Merger, dated June 17, 2020, by and among the Olivia Ventures, Inc., Merger Sub, a Delaware corporation and wholly-owned subsidiary of Olivia Ventures, Inc., and Compass Therapeutics LLC, a Delaware limited liability company
3.1	Certificate of Merger relating to the merger of Merger Sub with and into Compass Therapeutics LLC, filed with the Secretary of State of the State of Delaware on 17, 2020
3.2	Amended and Restated Certificate of Incorporation, filed with the Secretary of State of the State of Delaware on June 17, 2020
3.3	Amended and Restated Bylaws
10.1+	2020 Stock Option and Incentive Plan
10.2+	2020 Senior Executive Cash Incentive Bonus Plan
10.3+	Offer letter, dated November 8, 2017, between Vered Bisker-Leib and Compass Therapeutics LLC
10.4+	Form of Indemnification Agreement (directors)
10.5+	Form of Indemnification Agreement (executive officers)
10.6+	Form of Pre-Merger Indemnification Agreement (directors and executive officers)
10.7	Registration Rights Agreement, dated June 19, 2020, by and among the Compass Therapeutics, Inc. and the parties thereto
10.8	Subscription Agreement, dated June 19, 2020, by and between Compass Therapeutics, Inc. and the investors party thereto
10.9*	Amended and Restated Collaboration Agreement, dated February 11, 2015, by and between Adimab LLC and Kairos Biologics Foundation LLC
10.10	Loan and Security Agreement, dated March 30, 2018, by and between Pacific Western Bank, Inc., Compass Therapeutics, LLC and Compass Therapeutics Advisors, Inc.
10.11	First Amendment to Loan and Security Agreement, dated September 26, 2018, by and between Pacific Western Bank, Inc., Compass Therapeutics, LLC and Compass Therapeutics Advisors, Inc.
10.12	Second Amendment to Loan and Security Agreement, dated March 8, 2019, by and between Pacific Western Bank, Inc., Compass Therapeutics, LLC and Compass Therapeutics Advisors, Inc.
10.13	Third Amendment to Loan and Security Agreement, dated October 29, 2019, by and between Pacific Western Bank, Inc., Compass Therapeutics, LLC and Compass Therapeutics Advisors, Inc.
10.14	Sublease Agreement, dated July 29, 2016, by and between Horizon Discovery, Inc. and Compass Therapeutics, LLC
10.15	Sublease Modification Agreement, dated January 17, 2018, by and between Horizon Discovery, Inc. and Compass Therapeutics, LLC
16.1	Letter from Raich Ende Malter & Co. LLP as to the change in certifying accountant, dated as of June 23, 2020
21.1	Subsidiaries of the Registrant
99.1	Audited financial statements of Compass Therapeutics, LLC as of and for the fiscal years ended December 31, 2019 and 2018
99.2	Unaudited financial statements of Compass Therapeutics, LLC as of and for the quarterly period ended March 31, 2020
99.3	Unaudited Pro Forma Combined Financial Statements as of and for the fiscal year ended December 31, 2019
99.4	Press release dated June 23, 2020

+ Indicates a management contract or any compensatory plan, contract or arrangement.

* Portions of this exhibit (indicated by asterisks) have been omitted in accordance with the rules of the SEC.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 23, 2020

COMPASS THERAPEUTICS, INC.

By: /s/ Thomas J. Schuetz
Name: Thomas J. Schuetz
Title: Chief Executive Officer

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

among

OLIVIA VENTURES, INC., a Delaware corporation

COMPASS ACQUISITION LLC, a Delaware limited liability company

and

COMPASS THERAPEUTICS LLC, a Delaware limited liability company

and

BBV INTERNATIONAL COMPASS INC.

BIOMATICS – COMPASS, INC.

CHI II BLOCKER LLC

ORBIMED PRIVATE INVESTMENTS V – KA (BLOCKER), INC.

and

EIGHT ROADS INVESTMENTS (A BERMUDA COMPANY)

BIOMATICS CAPITAL PARTNERS, L.P.

COWEN HEALTHCARE INVESTMENTS II LP AND CHI EF II LP

ORBIMED PRIVATE INVESTMENTS V – KA (FEEDER), LP

June 17, 2020

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AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

INTRODUCTION

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION (this "**Agreement**"), dated as of June 17, 2020, by and among **OLIVIA VENTURES, INC**., a Delaware corporation (the "**Parent**"), **COMPASS ACQUISITION LLC**, a Delaware limited liability company (the "**Acquisition Subsidiary**"), **COMPASS THERAPEUTICS LLC**, a Delaware limited liability company (the "**Company**"), BBV International Compass Inc., Biomatics – Compass, Inc., CHI II Blocker LLC and OrbiMed Private Investments V – KA (Blocker), Inc. (the "**Blockers**"), and Eight Roads Investments (a Bermuda company), Biomatics Capital Partners, L.P., and Cowen Healthcare Investments II LP, CHI EF II LP, and OrbiMed Private Investments V – KA (Feeder), LP (the "**Blocker Holders**"). The Parent, the Acquisition Subsidiary, the Company the Blockers and the Blocker Holders are each a "**Party**" and referred to collectively herein as the "**Parties**."

RECITALS

WHEREAS, prior to the consummation of the transactions contemplated hereby, the following wholly owned Subsidiaries (as defined below) of Parent were formed: CHI II Blocker MergerSub, LLC, BBV International Compass MergerSub, Inc., Biomatics – Compass MergerSub, Inc., and OrbiMed Private Investments V – KA (Blocker) MergerSub, Inc. (each, a "**Blocker Mergersub**"), and the Acquisition Subsidiary;

WHEREAS, effective as of immediately prior to the Effective Time (as defined below), the Parties will effect the merger of each Blocker Mergersub with and into the applicable Blocker, as set forth in Schedule 1 hereto (each, a "**Blocker Merger**"), with the equity securities of each Blocker held by the applicable Blocker Holder converting solely into shares of Parent Common Stock (as defined below), in the amounts set forth in Schedule 1 hereto, with each Blocker continuing as the surviving entity in the applicable Blocker Merger and as a direct wholly owned Subsidiary of Parent (such transactions as contemplated on Schedule 1 hereto, being hereby ratified, approved and confirmed in all respects);

WHEREAS, this Agreement contemplates a merger of the Acquisition Subsidiary with and into the Company, with the Company remaining as the surviving entity after the merger (the "**Merger**"), whereby: (a) the members of the Company who are accredited investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended ("**Securities Act**") will receive Parent Common Stock in exchange for their membership units of the Company; (b) members of the Company who are not accredited investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act will receive Parent Common Stock (as defined below) in exchange for their membership units of the Company; and (c) certain specified members of the Company who are not accredited investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act will receive cash in exchange for their membership units of the Company;

WHEREAS, contemporaneously with the Merger, the Parent will complete a private placement offering (the "**Private Placement Offering**") of a minimum of 5,000,000 shares of the Parent's common stock, par value $0.0001 per share (the "**Parent Common Stock**"), at a purchase price of $5.00 per share (the "**Purchase Price**"), upon the terms and subject to the conditions of subscription agreements in a form reasonably acceptable to the Parent and the Company;

WHEREAS, as inducement to the Company's willingness to enter into this Agreement, contemporaneously with the execution and delivery of this Agreement by the Parties, certain stockholders of the Parent prior to the Merger have entered into forfeiture letters with the Parent (the "**Forfeiture Letters**"), to be effective only upon the Effective Time (as defined below), pursuant to which an aggregate of 4,000,000 shares of Parent Common Stock (the "**Forfeited Shares**") will be forfeited and cancelled immediately prior to the Effective Time; and

WHEREAS, the Parties intend for (i) the Merger, together with the Blocker Mergers and the Private Placement Offering, to qualify as a transaction that is described in Section 351(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), (ii) each Blocker Merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and (iii) this Agreement to constitute a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g) (the "**Intended Tax Treatment**").

NOW, THEREFORE, in consideration of the representations, warranties and covenants herein contained, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties, intending legally to be bound, agree as follows:

ARTICLE I

THE MERGER

1.1 The Mergers. Upon and subject to the terms and conditions set forth in this Agreement: (a) at the applicable effective time of each Blocker Merger, the applicable Blocker Mergersub shall be merged with and into the applicable Blocker as set forth on Schedule 1, with the applicable Blocker being the surviving company in the applicable Blocker Merger (each Blocker, as the surviving corporation after the applicable Blocker Merger, is sometimes referred to herein as the "**Surviving Blocker Company**") and a wholly owned subsidiary of Parent; and (b) the Acquisition Subsidiary shall merge with and into the Company at the Effective Time (as defined below). From and after the Effective Time, the separate existence of the Acquisition Subsidiary shall cease and the Company shall continue as the surviving limited liability company in the Merger (the "**Surviving Company**"). Each "**Blocker Effective Time**" shall be the time at which a certificate of merger, in proper form and duly executed, reflecting the applicable Blocker Merger (each, a "**Blocker Certificate of Merger**") pursuant to Section 251 of the Delaware General Corporation Law (the "**DGCL**") is filed with and accepted by the Secretary of State of the State of Delaware. The "**Effective Time**" shall be the time at which a certificate of merger in proper form and duly executed, reflecting the Merger (the "**Certificate of Merger**") pursuant to Section 209 of the Limited Liability Company Act of the State of Delaware (the "**DLLCA**") is filed with and accepted by the Secretary of State of the State of Delaware. The Blocker Mergers shall have the effects set forth herein and in the applicable provisions of the DGCL. The Merger shall have the effects set forth herein and in the applicable provisions of the DLLCA. Without limiting the generality of the foregoing, and subject thereto, at each Blocker Effective Time, except as provided herein, all the property, rights, privileges, powers and franchises of each Blocker and each Blocker Mergersub shall vest in the applicable Surviving Blocker Company, and all debts, liabilities and duties of each applicable Blocker and applicable Blocker Mergersub shall become the debts, liabilities and duties of the applicable Surviving Blocker Company. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, except as provided herein, all the property, rights, privileges, powers and franchises of the Company and the Acquisition Subsidiary shall vest in the Surviving Company, and all debts, liabilities and duties of the Company and Acquisition Subsidiary shall become the debts, liabilities and duties of the Surviving Company. The Parent, the Company, each Blocker, each Blocker Holder and each Blocker Mergersub, respectively, shall each use its best efforts to take all such action as may be necessary or appropriate to effectuate the applicable Blocker Merger in accordance with the DGCL at the applicable Blocker Effective Time. The Parent, the Company and the Acquisition Subsidiary, respectively, shall each use its best efforts to take all such action as may be necessary or appropriate to effectuate the Merger in accordance with the DLLCA at the Effective Time. If at any time after any Blocker Effective Time or the Effective Time, any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the applicable Surviving Blocker Company or the Surviving Company with full right, title and possession to all properties, rights, privileges, immunities, powers and franchises of either the applicable Blocker, the applicable Blocker Mergersub, the Company or the Acquisition Subsidiary, the officers of the Surviving Blocker Company or Surviving Company, as applicable, are fully authorized in the name of Parties or otherwise to take, and shall take, all such lawful and necessary action.

1.2 The Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place remotely, via electronic exchange of documents, simultaneous with the execution and delivery of this Agreement, or, if all of the conditions to the obligations of the Parties to consummate the transactions contemplated hereby have not been satisfied or waived by such date, on such mutually agreeable later date as soon as practicable (and in any event not later than three Business Days) after the satisfaction or waiver of all conditions (excluding the delivery of any documents to be delivered at the Closing by any of the Parties) set forth in ARTICLE V hereof (the "**Closing Date**"). As used in this Agreement, the term "**Business Day**" means any day other than a Saturday, a Sunday or a day on which banks in the state of New York are required or authorized by applicable law to close.

1.3 Actions at the Closing. At the Closing:

(a) the Company shall deliver to the Parent and the Acquisition Subsidiary the various certificates, instruments and documents to be delivered by the Company pursuant to Sections 6.1 and 6.2;

(b) each Blocker and Blocker Holder shall deliver to the Parent and the Blocker Mergersubs the various certificates, instruments and documents to be delivered by such Blocker or Blocker Holder pursuant to Section 6.2;

(c) the Parent and the Acquisition Subsidiary shall deliver to the Company the various certificates, instruments and documents to be delivered by the Parent and/or Acquisition Subsidiary pursuant to Sections 6.1 and 6.3;

(d) the Parent and each Blocker Mergersub shall deliver to each Blocker and Blocker Holder the various certificates, instruments and documents to be delivered by the Parent and/or Blocker Mergersub pursuant to Sections 6.1 and 6.3;

(e) the Surviving Company shall file the Certificate of Merger with the Secretary of State of the State of Delaware in accordance with the DLLCA; and

(f) each Surviving Blocker Company shall file the applicable Blocker Certificate of Merger with the Secretary of State of the State of Delaware in accordance with the DGCL.

1.4 Additional Actions. If at any time after the applicable Blocker Effective Time and the Effective Time a Surviving Blocker Company or the Surviving Company, as applicable, or Parent shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary, desirable or proper (a) to vest, perfect or confirm, of record or otherwise, in such Surviving Blocker Company or the Surviving Company or Parent, its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of either the applicable Blocker, Blocker Mergersub, the Company or the Acquisition Subsidiary or (b) otherwise to carry out the purposes of this Agreement, each Surviving Blocker Company, the Surviving Company, Parent and their respective officers and directors or their designees shall be authorized (to the fullest extent allowed under applicable law) to execute and deliver, in the name and on behalf of either the applicable Blocker, applicable Surviving Blocker Company, the Company, Parent or the Acquisition Subsidiary, all such deeds, bills of sale, assignments and assurances and do, in the name and on behalf of the applicable Blocker, applicable Surviving Blocker Company, the Company, Parent or the Acquisition Subsidiary, all such other acts and things necessary, desirable or proper to vest, perfect or confirm its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of the applicable Blocker, applicable Surviving Blocker Company, the Company, Parent or the Acquisition Subsidiary, as applicable, and otherwise to carry out the purposes of this Agreement.

1.5 Conversion of Securities. At the applicable Blocker Effective Time or the Effective Time, as applicable, by virtue of the applicable Blocker Merger and the Merger, as applicable, and without any action on the part of any Party or the holder of any of the following securities:

(a) Subject to Section 1.6 and Section 1.7, at the Effective Time, each (i) Class A common limited liability company unit of the Company ("**Company Class A Common Units**"), (ii) Class C common limited liability company unit of the Company ("**Company Class C Common Units**"), (iii) Series A-1 preferred limited liability company unit of the Company (the "**Company Series A-1 Preferred Units**"), (iv) Series A-2 preferred limited liability company unit of the Company (the "**Company Series A-2 Preferred Units**") (v) Series A-3 preferred limited liability company unit of the Company (the "**Company Series A-3 Preferred Units**"), (vi) Series A-4 preferred limited liability company unit of the Company (the "**Company Series A-4 Preferred Units**"), (vii) Series A-4B preferred limited liability company unit of the Company (the "**Company Series A-4B Preferred Units**"), and (viii) Series A-5 preferred limited liability company unit of the Company (the "**Company Series A-5 Preferred Units**," and, together with the Series A-1 Preferred Units, the Series A-2 Preferred Units, the Series A-3 Preferred Units, the Series A-4 Preferred Units and the Series A-4B Preferred Units, the "**Company Preferred Units**"; the Company Preferred Units, together with the Company Class A Common Units and Company Class C Common Units, are referred to herein as the "**Company Units**") issued and outstanding immediately prior to the Effective Time, after giving effect to the conversion of all Company Preferred Units into Class A Common Units of the Company, which will be effective as of immediately prior to the Effective Time, shall be converted into and represent the right to receive such number of shares of Parent Common Stock as is set forth on Schedule 1.5(a) hereto. An aggregate of 39,055,638 shares of Parent Common Stock, subject to adjustment as necessary due to rounding as set forth in Section 1.6, shall be issuable to the Company Unit holders of record outstanding immediately prior to the Effective Time (the "**Company Unitholders**") in connection with the Merger and the Blocker Holders in connection with the Blocker Mergers. The shares of Parent Common Stock into which the Company Units are converted pursuant to this Section shall be referred to herein as the "**Merger Shares**." The Merger Shares shall be adjusted to reflect appropriately the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into or exercisable or exchangeable for Parent Common Stock or Company Units), reorganization, recapitalization, reclassification, combination, exchange of shares or other like change with respect to Parent Common Stock or Company Units occurring or having a record date on or after the date hereof and prior to the Effective Time.

(b) After the Effective Time, the Parent shall deliver or cause to be delivered certificates (which, for all purposes in this Agreement, may be in book entry form) for the Merger Shares to each Company Unitholder entitled thereto pursuant to Section 1.5(a) and cash pursuant to Section 1.7(c) who shall have presented a certificate that immediately prior to the Effective Time represented Company Units to be converted into Merger Shares pursuant to this Section 1.5 or cash pursuant to Section 1.7(c), as applicable (the "**Company Units Certificates**"). If any Company Units Certificate shall have been lost, stolen or destroyed, the Parent may, in its sole discretion and as a condition to the issuance of any certificates representing Merger Shares, require the owner of such lost, stolen or destroyed Company Units Certificate to provide an appropriate affidavit with respect to such Company Units Certificate (without the requirement to post a bond).

(c) At the Effective Time, each issued and outstanding common limited liability company unit of the Acquisition Subsidiary shall be converted into one validly issued, fully paid and nonassessable common limited liability company unit of the Surviving Company.

(d) At the applicable Blocker Effective Time, each issued and outstanding equity interest of the applicable Blocker Mergersub shall be converted into validly issued, fully paid and nonassessable equity interests of the applicable Surviving Blocker Company, in each case, as set forth on Schedule 1.

(e) At the applicable Blocker Effective Time, each issued and outstanding equity interest of each Blocker shall be converted into validly issued, fully paid and nonassessable shares of Parent Common Stock, in each case, as set forth on Schedule 1. The shares of Parent Common Stock into which the outstanding equity interests of each Blocker are converted pursuant to this Section 1.5(e) shall be referred to herein as the "**Blocker Merger Shares**."

1.6 Fractional Shares. No certificates or scrip representing fractional Merger Shares or Blocker Merger Shares shall be issued to Company Unitholders or any Blocker Holder on the surrender for exchange of Company Units or equity interests of a Blocker, and such Company Unitholders and Blocker Holders shall not be entitled to any voting rights, rights to receive any dividends or distributions or other rights as a stockholder of the Parent with respect to any fractional Merger Shares or Blocker Merger Shares issued to such Company Unitholders or Blocker Holders. In lieu of any fractional Merger Shares or Blocker Merger Share to which the holder would otherwise be entitled, the Company shall pay the holder cash equal to such fraction multiplied by the Purchase Price.

1.7 Specified Incentive Units; Out-of-the-Money Incentive Units; Specified Unaccredited Company Members.

(a) Subject to the terms of Section 1.7(d) and pursuant to Section 7 of those certain Common Unit Grant Agreements set forth on Schedule 1.7 (the "**Specified Grant Agreements**"), between the Company and specified members of the Company, the Board of Directors of the Company, in its sole discretion, determines that without any action on the part of any holder of Company Class A Common Units subject to a Specified Grant Agreement, the Company Class A Common Units subject to the Specified Grant Agreements shall be exchanged and converted into and represent the right to receive such number of shares of Parent Common Stock as is set forth on Schedule 1.5(a) hereto.

(b) Effective as of immediately prior to the Effective Time, all outstanding Company Class A Common Units with a Strike Price (as defined in the Company's Fifth Amended and Restated Operating Agreement, dated as of June 27, 2018, as amended and as in effect immediately prior to the Effective Time (the "**LLC Agreement**")) equal to One Dollar ($1.00) shall be cancelled without consideration effective as of immediately prior to the Effective Time.

(c) Effective as of immediately prior to the Effective Time, each outstanding Company Class A Common Unit not issued by the Company pursuant to a Specified Grant Agreement and held by members of the Company who are not accredited investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act and who would otherwise receive shares of Parent Common Stock pursuant to Section 1.5(a) shall be converted into and represent the right to receive a cash amount equal to $0.73893009, reduced by any applicable strike price with respect to such Company Class A Common Unit.

(d) Subject to Section 1.7(b) and Section 1.7(c), each Incentive Unit (as defined in the LLC Agreement) that is outstanding as of immediately prior to the Effective Time (the "**Cancelled Incentive Award**"), shall in accordance with Section 1.5(a) or Section 1.7(a), as applicable, be exchanged and converted into shares of Parent Common Stock pursuant to Section 1.5(a) and Section 1.7(a), as applicable, and will have (x) the same vesting schedule as such Cancelled Incentive Award (including, for the avoidance of doubt, credit for any portion which had previously vested) as applied immediately prior to the Effective Time and (y) an equivalent economic value as such Cancelled Incentive Award.

1.8 Directors and Officers.

(a) At the Effective Time, by virtue of the Merger and without any action on the part of the Parent, Acquisition Subsidiary, the Company or the holders of any equity of any of the foregoing, the manager(s) and officers of the Acquisition Subsidiary as of immediately prior to the Effective Time shall be the manager(s) and officers of the Surviving Company, each to hold office until the earlier of his/her resignation or removal or until his/her respective successors are duly appointed and qualified, as the case may be, and the Surviving Company and the Parent shall take any necessary actions (whether prior to, at or after the Effective Time) as shall be necessary or appropriate to effectuate or carry out the purpose of this Section 1.8(a). At the applicable Blocker Effective Time, by virtue of the applicable Blocker Merger and without any action on the part of the Parent, the applicable Blocker, the applicable Blocker Mergersub or the applicable Blocker Holder, the officers and directors of the applicable Blocker Mergersub as of immediately prior to the applicable Blocker Effective Time shall be the officers and directors of the applicable Surviving Blocker Company, in each case, as set forth on Schedule 1, each to hold office until the earlier of his/her resignation or removal or until his/her respective successors are duly appointed and qualified, as the case may be, and the applicable Surviving Blocker Company and the Parent shall take any necessary actions (whether prior to, at or after the applicable Blocker Effective Time) as shall be necessary or appropriate to effectuate or carry out the purpose of this Section 1.8(a).

(b) At or prior to the Closing, the Board of Directors of Parent shall, subject to compliance with Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder, take the following action, to be effective upon the Effective Time: (i) elect to the Board of Directors of Parent the persons listed on Schedule 1.8(b)(i); and (ii) appoint as the officers of Parent those persons listed on Schedule 1.8(b)(ii), or, in either case with regard to clauses (i) and (ii), such other persons designated by the Company (including any replacement for a director of the Company immediately prior to the Closing who is either unwilling or unable to serve as a director of the Parent upon the Effective Time). All of the persons serving as directors of the Parent immediately prior to the Closing shall resign effective as of immediately prior to the Effective Time, and all of the persons serving as officers of the Parent immediately prior to the Closing shall resign effective as of immediately prior to the Effective Time. Subject to applicable law, Parent, with the assistance of the Company, has taken or shall take all action reasonably requested by the Company, but consistent with the certificate of incorporation and bylaws of Parent, that is reasonably necessary to effect any such election or appointment of the designees of the Company to the Parent's Board of Directors, including mailing to the Parent's stockholders an information statement containing the information required by Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder at least 10 days prior to the Effective Time. The Company has supplied the Parent all information with respect to it and its nominees, officers, directors and Affiliates required by such Section 14(f) and Rule 14f-1.

(c) The provisions of this Section 1.8 are in addition to and shall not limit any rights which the Company or any of its Affiliates may have as a holder or beneficial owner of shares of capital stock of the Parent as a matter of law with respect to the election of directors or otherwise. The newly-appointed directors and officers of the Parent shall hold office for the term specified in, and subject to the provisions contained in, the certificate of incorporation and bylaws of the Parent and applicable law.

1.9 Operating Agreement; Organizational Documents. Each Surviving Blocker Company, the Surviving Company or the Parent may make any necessary filings in the State of Delaware as shall be necessary or appropriate to effectuate or carry out fully the purpose of this Section 1.9:

(a) the operating agreement of the Company will be amended and restated at the Effective Time to read in its entirety as set forth on Exhibit A hereto, and, as so amended and restated, will be the operating agreement of the Surviving Company until thereafter amended as provided by Delaware law and such operating agreement;

(b) the certificate of incorporation of the Parent in effect immediately prior to the Effective Time shall be the certificate of incorporation of the Parent until duly amended or repealed;

(c) the bylaws of the Parent in effect immediately prior to the Effective Time shall be the bylaws of the Parent until duly amended or repealed; and

(d) the certificate of incorporation, bylaws or other organizational documents of each Blocker Mergersub in effect immediately prior to the applicable Blocker Effective Time shall be the certificate of incorporation, bylaws or other organizational documents of each Surviving Blocker Company until duly amended or repealed.

1.10 No Further Rights. From and after the Effective Time, no Company Units shall be deemed to be outstanding, and holders of Company Units, certificated or uncertificated, shall cease to have any rights with respect thereto, except as provided herein or by applicable law, other than the right to receive Parent Common Stock in connection with the Merger.

1.11 Closing of Transfer Books. At the Effective Time, the unit transfer books of the Company shall be closed and no transfer of Company Units shall thereafter be made. If, after the Effective Time, Company Units Certificates are presented to the Parent or the Surviving Company, they shall be cancelled and exchanged for Merger Shares in accordance with Section 1.5.

1.12 Exemption from Registration; Rule 144; Rule 701.

(a) Parent and the Company intend that the shares of Parent Common Stock to be issued pursuant to Sections 1.5, will be issued in a transaction exempt from registration under the Securities Act, by reason of Section 4(a)(2) of the Securities Act, Rule 506 of Regulation D promulgated by the United States Securities and Exchange Commission (the "**SEC**") thereunder, Regulation S promulgated by the SEC and/or Rule 701 of the Securities Act and that all recipients of such shares of Parent Common Stock either (i) shall be "accredited investors" or not "**U.S. Persons**" as such terms are defined in Regulation D and Regulation S, respectively, or (ii) within the meaning of Rule 701 of the Securities Act, were employees or directors of the Company, its parent or its majority-owned subsidiaries or were consultants who were natural persons and who provided bona fide services to the Company, its parent or its majority-owned subsidiaries (provided that such services were not in connection with the offer or sale of securities in a capital raising transaction and did not directly or indirectly promote or maintain a market for the Company's securities), and, in each case, who received Parent Common Stock pursuant to a compensatory benefit plan, or are family members of employees, directors or consultants who acquired such securities by gift or domestic relations orders, or (iii) persons other than those described in the foregoing clauses (i) or (ii), provided that the number of such persons described in this clause (iii) shall not exceed thirty-five (35). The shares of Parent Common Stock to be issued pursuant to Section 1.5 hereof, will be "restricted securities" within the meaning of Rule 144 under the Securities Act and may not be offered, sold, pledged, assigned or otherwise transferred unless (A) a registration statement with respect thereto is effective under the Securities Act and any applicable state securities laws, or (B) an exemption from such registration exists and either the Parent receives an opinion of counsel to the holder of such securities, which counsel and opinion are satisfactory to the Parent, that such securities may be offered, sold, pledged, assigned or transferred in the manner contemplated without an effective registration statement under the Securities Act or applicable state securities laws, or the holder complies with the requirements of Regulation S, if applicable; and the certificates (or book-entry security entitlements) representing such shares of Parent Common Stock will bear an appropriate legend and restriction on the books of the Parent or its transfer agent to that effect.

(b) The Parent is a "shell company" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The Company acknowledges that pursuant to Rule 144(i), securities issued by a former shell company (such as the Merger Shares of Blocker Merger Shares) that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 until one year after the Parent (i) is no longer a shell company; and (ii) has filed current "Form 10 information" (as defined in Rule 144(i)) with the SEC reflecting that it is no longer a shell company, and provided that at the time of a proposed sale pursuant to Rule 144, the Parent is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and has filed all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months (or for such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports. **As a result, the restrictive legends on certificates for the Merger Shares and Blocker Merger Shares cannot be removed except in connection with an actual sale meeting the foregoing requirements or pursuant to an effective registration statement.**

1.13 Certain Tax Matters. Each of the Parties shall use its reasonable best efforts to cause the transactions contemplated hereby to qualify for the Intended Tax Treatment. None of the Parties shall (and each of the Parties shall cause their respective Subsidiaries and affiliates not to) take any action, or fail to take any action, that could reasonably be expected to cause transactions contemplated hereby to fail to qualify for the Intended Tax Treatment. The Parties intend to report and, except to the extent otherwise required by a "final determination" within the meaning of Section 1313(a) of the Code, shall report (including, without limitation, on all applicable United States, state, local or foreign government reports, returns, declarations, statements or other information required to be supplied to a taxing authority in connection with Taxes (collectively, "**Tax Returns**") and in connection with any Tax audit), for all tax purposes, transactions contemplated hereby in accordance with the Intended Tax Treatment. For purposes of this Agreement, "**Taxes**" means all taxes or levies or other similar assessments or liabilities in the nature of a tax, including without limitation income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, transfer, withholding, employment, unemployment insurance, social security, business license, business organization, environmental, workers compensation, payroll, profits, license, lease, service, service use, severance, stamp, occupation, windfall profits, customs, duties, franchise and other taxes imposed by the United States of America or any state, local or foreign government, or any agency thereof, or other political subdivision of the United States or any such government, and any interest, fines, penalties, assessments or additions to tax resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof.

1.14 Withholding. Parent shall be entitled to deduct and withhold (or cause to be deducted and withheld) from any consideration payable or transferrable pursuant to this Agreement such amounts as are required to be deduced and withheld under applicable Tax law. To the extent that amounts are so withheld and timely remitted to the applicable taxing authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the person in respect of which such deduction and withholding was made. The Parties shall cooperate in good faith to eliminate or reduce any such deduction or withholding (including through the request and provision of any statements, form or other documents to reduce or eliminate any such deduction or withholding).

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except (i) as set forth in the Disclosure Schedule delivered to Parent concurrently with the execution of this Agreement (the "**Company Disclosure Schedule**"), or (ii) as disclosed in the substantially complete draft of the Super 8-K (but excluding any disclosures (whether contained under the heading "Risk Factors," in any "forward-looking statements" disclaimer or in any other section) to the extent they are cautionary, predictive or forward-looking in nature), the Company hereby represents and warrants to Parent, as of the Closing, the following:

2.1 Organization, Qualification and Corporate Power. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the requisite limited liability company power to own its properties and to carry on its business as now being conducted. The Company is duly qualified as a foreign limited liability company to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have any material adverse effect on the business, properties, assets, liabilities (taken together), operations or financial condition, results of operations or future prospects of the Company and its Subsidiaries taken as a whole provided, however, that none of the following shall be deemed in themselves, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or would reasonably be expected to have a "Company Material Adverse Effect": (i) general financial, credit, capital market or regulatory conditions or any changes therein (provided, however, that such effects do not affect the Company and its Subsidiaries taken as a whole disproportionately as compared to the Company's competitors), (ii) any effects alone or in combination that arise out of, or result from, directly or indirectly from the announcement, pendency, execution or performance of this Agreement, the transactions contemplated hereby or any action contemplated by this Agreement, (iii) acts of God, war (whether or not declared), disease, including the COVID 19 pandemic, the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity or any material worsening of such conditions, (iv) any matter disclosed in the Company Disclosure Schedule or the Super 8-K (excluding any disclosures (whether contained under the heading "Risk Factors," in any "forward-looking statements" disclaimer or in any other section) to the extent they are cautionary, predictive or forward-looking in nature); (v) any failure by the Company or its subsidiaries to meet any projections, budgets or estimates of revenue or earnings (it being understood that the facts giving rise to such failure may be taken into account in determining whether there has been a Company Material Adverse Effect (except to the extent such facts are otherwise excluded from being taken into account by this proviso)), (vi) changes affecting the industry generally in which the Company or its subsidiaries operates (provided, however, that such changes do not affect the Company or its subsidiaries disproportionately as compared to the Company's competitors), or (vii) changes in law or GAAP (a "**Company Material Adverse Effect**").

2.2 Authorization, Enforcement, Compliance with Other Instruments. (i) The Company has the requisite limited liability company power and authority to enter into and perform its obligations under this Agreement and the agreements contemplated hereby and thereby (collectively, the "**Transaction Documents**"), in accordance with the terms hereof and thereof; (ii) the execution and delivery by the Company of each of the Transaction Documents to which it is a party and the consummation by it of the transactions contemplated hereby and thereby, including, without limitation, the consummation of the Merger, have been duly authorized by the Company's Board of Directors, and no further consent or authorization is required by the Company, its Board of Directors or its stockholders; (iii) each of the Transaction Documents have been duly executed and delivered by the Company; and (iv) each of the Transaction Documents constitute the valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies and, with respect to any rights to indemnity or contribution contained in the Transaction Documents, as such rights may be limited by state or federal laws or public policy underlying such laws.

2.3 Capitalization. As of the date hereof, the authorized capital of the Company consists of (A) 298,748,768 Company Common Units, of which 294,239,018 authorized Company Common Units are designated as Company Class A Common Units, and 4,509,750 authorized Company Common Units are designated as Company Class C Common Units, and (B) 207,164,404 Company Preferred Units, of which 64,704,832 authorized Company Preferred Units are designated as Company Series A-1 Preferred Units, 36,782,734 authorized Company Preferred Units are designated as Company Series A-2 Preferred Units, 23,467,151 authorized Company Preferred Units are designated as Company Series A-3 Preferred Units, 15,253,415 authorized Company Preferred Units are designated as Company Series A-4 Preferred Units, 22,216,583 authorized Company Preferred Units are designated as Company Series A-4B Preferred Units and 44,739,689 authorized Company Preferred Units are designated as Company Series A-5 Preferred Units. As of the date of this Agreement, and without giving effect to the transactions contemplated by this Agreement, 93,170,805 Company Class A Common Units, 4,509,750 Company Class C Common Units, 64,704,832 Company Series A-1 Preferred Units, 36,782,734 Company Series A-2 Preferred Units, 23,467,151 Company Series A-3 Preferred Units, 15,253,415 Company Series A-4 Preferred Units, 22,216,583 Company Series A-4B Preferred Units, 44,739,689 Company Series A-5 Preferred Units are issued and outstanding, and no Company Units are held in the treasury of the Company. As of the date of this Agreement and as of immediately prior to the Effective Time, there are and will be outstanding warrants to purchase Company Units as set forth on Section 2.3 of the Company Disclosure Schedule. As of the date of this Agreement and as of immediately prior to the Effective Time, there are and will be no Company Units issuable upon the conversion of any promissory notes issued by the Company. Section 2.3 of the Company Disclosure Schedule sets forth a complete and accurate list of all members of the Company, indicating the number and class of Company Units held by each member. All of the issued and outstanding Company Units are duly authorized, validly issued, fully paid, nonassessable and, effective as of the Effective Time, free of all preemptive rights, and have been or will be issued in accordance with applicable laws, including but not limited to, the Securities Act. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Company. Other than as listed in Section 2.3 of the Company Disclosure Schedule, there are no agreements to which the Company is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act, or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, co-sale rights or “drag-along” rights) of any securities of the Company. To the knowledge of the Company, there are no agreements among other parties, to which the Company is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co- sale rights or “drag-along” rights) of any securities of the Company. All of the issued and outstanding Company Units were issued in compliance with applicable securities laws.

2.4 Non-contravention. The execution, delivery and performance of each of the Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby including consummation of the Merger in accordance with this Agreement will not (i) result in a violation of the operating agreement (or equivalent constitutive document) of the Company or any of its subsidiaries or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any contract, agreement, mortgage, indebtedness, indenture or instrument to which the Company or any subsidiary is a party, except for those which would not reasonably be expected to have a Company Material Adverse Effect, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including U.S. federal and state securities laws and regulations) applicable to the Company or any subsidiary or by which any property or asset of the Company or any subsidiary is bound or affected, except for those which would not reasonably be expected to have a Company Material Adverse Effect. Neither the Company nor any subsidiary is in violation of or in default under, any provision of its operating agreement or any other constitutive documents. Neither the Company nor any subsidiary is in violation of any term of or in default under any contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company or any subsidiary, which violation or breach has had or would reasonably be expected to have a Company Material Adverse Effect. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable state securities laws, neither the Company nor any of its subsidiaries is required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under or contemplated by this Agreement or the other Transaction Documents in accordance with the terms hereof or thereof, other than (i) the filing of the Certificate of Merger with the Delaware Secretary of State, and (ii) the filing of a Notice of Exempt Offering of Securities on Form D with the SEC under Regulation D. All consents, authorizations, orders, filings and registrations which the Company or any of its Subsidiaries is required to obtain pursuant to the preceding sentence have been or will be obtained or effected on or prior to the Closing.

2.5 Subsidiaries.

(a) Section 2.5(a) of the Company Disclosure Schedule sets forth: (i) the name of each Company Subsidiary; (ii) the number and type of outstanding equity securities of each Company Subsidiary and a list of the holders thereof; and (iii) the jurisdiction of organization of each Company Subsidiary. For purposes of this Agreement, a "**Subsidiary**" shall mean any corporation, partnership, joint venture or other entity in which a Party has, directly or indirectly, an equity interest representing 50% or more of the equity securities thereof or other equity interests therein; a "**Company Subsidiary**" is a Subsidiary of the Company.

(b) Each Company Subsidiary is an entity duly organized, validly existing and in corporate and Tax good standing under the laws of the jurisdiction of its incorporation, except as would not reasonably be expected to have a Company Material Adverse Effect. Each Company Subsidiary is duly qualified to conduct business and is in corporate and Tax good standing under the laws of each jurisdiction in which the nature of its businesses or the ownership or leasing of its properties requires qualification to do business, except where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. Each Company Subsidiary has all requisite power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. No Company Subsidiary is in default under or in violation of any provision of its charter, bylaws or other organizational documents. All of the issued and outstanding equity securities of each Company Subsidiary (i) are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights, (ii) are held of record and beneficially by either the Company or any other Company Subsidiary and (iii) are held or owned free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state or other applicable securities laws), claims, security interests, options, warrants, rights, contracts, calls, commitments, equities and demands. Except as set forth in Section 2.5(b) of the Company Disclosure Schedule, there are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Company or any Company Subsidiary is a party or which are binding on any of them providing for the issuance, disposition or acquisition of any equity securities of any Company Subsidiary.

(c) Except as set forth in Section 2.5(c) of the Company Disclosure Schedule, the Company does not control directly or indirectly or have any direct or indirect equity participation or similar interest in any corporation, partnership, limited liability company, joint venture, trust or other business association which is not a Company Subsidiary.

2.6 Compliance with Laws. The Company:

(a) and the conduct and operations of its business, are in compliance with each law applicable to the Company or any of its properties or assets, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect;

(b) has complied with all federal and state securities laws and regulations, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect;

(c) has not been the subject of any voluntary or involuntary bankruptcy proceeding, nor has it been a party to any material litigation or, within the past two years, the subject of any threat of material litigation; and

(d) is not and has not, and to the knowledge of the Company, the officers and directors of the Company are not and have not in their capacity as an officer or director of the Company, as applicable, been the subject of any civil, criminal or administrative investigation or proceeding brought by any federal or state agency having regulatory authority over such entity or person or alleging a violation of securities laws.

2.7 Super 8-K. The information regarding the Company included in the Super 8-K shall comply in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder when filed. The information regarding the Company included in the Super 8-K, including any financial statements, schedules or exhibits included or incorporated by reference therein, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.8 Contracts. Each Material Contract (as defined below) of the Company is a legal, valid, binding and enforceable obligation of the Company and in full force and effect, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity whether applied in a court of law or a court of equity. Neither the Company nor, to the knowledge of the Company, any other party, is in breach or violation of, or default under, any Material Contract, and no event has occurred, is pending or, to the knowledge of the Company, is threatened, which, after the giving of notice, with lapse of time, or otherwise, would constitute a breach or default by the Company or, to the knowledge of the Company, any other party under such Material Contract, except for any breach, violation or default that has not had and would not reasonably be expected to have a Company Material Adverse Effect. For purposes of this Section 2.8, a "**Material Contract**" is a material contract as defined by Item 601(b)(10) of Regulation S-K.

2.9 Litigation. As of the date of this Agreement, except as set forth on the Company Disclosure Schedule to the knowledge of the Company, there is no action, suit, claim, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition) or investigation before or by any court, public board, governmental or administrative agency, self-regulatory organization, arbitrator, regulatory authority, stock market, stock exchange or trading facility (an "**Action**") now pending or, to the knowledge of the Company, threatened in writing against or affecting the Company or any of its Subsidiaries or any of their respective officers or directors, which would be reasonably likely to (i) adversely affect the validity or enforceability of, or the authority or ability of the Company to perform its obligations under, this Agreement or any of the other Transaction Documents, or (ii) have a Company Material Adverse Effect. For the purpose of this Agreement, the knowledge of the Company means the actual knowledge of the officers of the Company (for the avoidance of doubt, immediately prior to the Effective Time). Neither the Company nor any of its Subsidiaries is subject to any judgment, decree, or order which has had, or would reasonably be expected to have a Company Material Adverse Effect.

2.10 Brokers' Fees. Other than as set forth on Section 2.10 of the Company Disclosure Schedule, the Company has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

2.11 Books and Records. The minute books and other similar records of the Company made available to the Parent contain, in all material respects, complete and accurate records of all material actions taken at any meetings of the Company's members, board of directors or any committees thereof and of all written consents executed in lieu of the holding of any such meetings.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE PARENT, EACH BLOCKER MERGERSUB AND THE ACQUISITION SUBSIDIARY

The Parent represents and warrants to the Company that the statements contained in this ARTICLE III are true and correct, except as set forth in the disclosure schedule provided by the Parent to the Company on the date hereof (the "**Parent Disclosure Schedule**"). The Parent Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this ARTICLE III; and to the extent that it is reasonably apparent from the context thereof that such disclosure also applies to any other numbered paragraph contained in this ARTICLE III, the disclosures in any numbered paragraph of the Parent Disclosure Schedule shall qualify such other corresponding numbered paragraph in this ARTICLE III. For purposes of this ARTICLE III, the phrase "to the knowledge of the Parent" or any phrase of similar import shall be deemed to refer to the actual knowledge of any director or executive officer of the Parent as well as any other knowledge which such person would have possessed had such person made reasonable inquiry of directors and key employees of the Parent and the accountants and attorneys of the Parent.

3.1 Organization, Qualification and Corporate Power. The Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and each Blocker Mergersub and the Acquisition Subsidiary is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Parent is duly qualified to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its businesses or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect (as defined below). The Parent has all requisite corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. The Parent has furnished or made available to the Company complete and accurate copies of its certificate or articles of incorporation and bylaws. Neither the Parent, any Blocker Mergersub nor the Acquisition Subsidiary is in default under or in violation of any provision of its certificate or articles of incorporation, as amended to date, its bylaws, as amended to date, or any mortgage, indenture, lease, license or any other agreement or instrument referred to in Sections 3.15 or 3.16, except where such default or violation would not reasonably be expected to have a Parent Material Adverse Effect. For purposes of this Agreement, "**Parent Material Adverse Effect**" means a material adverse effect on the assets, business, financial condition, or results of operations of the Parent and its Subsidiaries, taken as a whole; *provided, that*, in no event shall any effects (whether alone or in combination) resulting from or arising in connection with any of the following be deemed to constitute, nor shall any of the following be taken into account in determining whether there has occurred, a Parent Material Adverse Effect: (a) conditions generally affecting the industries in which the Parent participates or the U.S. or global economy or capital markets as a whole; (b) any failure by the Parent to meet internal projections or forecasts or revenue or earnings predictions; (c) the execution, delivery, announcement or performance of the obligations under this Agreement or the announcement, pendency or anticipated consummation of the Merger; (d) any natural disaster or any acts of terrorism, sabotage, military action or war or any escalation or worsening thereof; (e) any changes (after the date of this Agreement) in GAAP, other applicable accounting rules or applicable law, or changes or developments in political, regulatory or legislative conditions, or (f) the taking of any action required by this Agreement.

3.2 Capitalization. As of immediately prior to the Effective Time, after giving effect to the forfeiture and cancellation of the Forfeited Shares, but prior to giving effect to the issuance of the Merger Shares, the Blocker Merger Shares or the shares to be issued in the Private Placement Offering, the authorized capital stock of the Parent will consist of 300,000,000 shares of Parent Common Stock, $0.0001 par value per share, of which 1,000,000 shares will be issued and outstanding (the "Pre-Merger Shares"), and 10,000,000 shares of preferred stock, $0.0001 par value per share, of which no shares will be outstanding. All of the issued and outstanding shares of Parent Common Stock are duly authorized, validly issued, fully paid, nonassessable and free of all preemptive, anti-dilution and similar rights and have been issued in accordance with applicable laws, including, but not limited to, the Securities Act. Except in connection with the Private Placement Offering, or as expressly contemplated by the Transaction Documents, there are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Parent is a party or which are binding upon the Parent providing for the issuance or redemption of any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Parent. Except in connection with the Private Placement Offering or as contemplated by the Transaction Documents, there are no agreements to which the Parent is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act, or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Parent. There are no agreements among other parties, to which the Parent is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co- sale rights or "drag-along" rights) of any securities of the Parent. All of the issued and outstanding shares of Parent Common Stock were issued in compliance with applicable federal and state securities laws. The Merger Shares to be issued at the Closing pursuant to Section 1.5 hereof, when issued and delivered in accordance with the terms hereof and of the Certificate of Merger, shall be duly and validly issued, fully paid and nonassessable and free of all preemptive rights and will be issued in compliance with applicable federal and state securities laws.

3.3 Authorization of Transaction. Each of the Parent, each Blocker Mergersub and the Acquisition Subsidiary has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and under the Transaction Documents. The execution and delivery by the Parent, each Blocker Mergersub and the Acquisition Subsidiary of this Agreement and the Transaction Documents to which any of them are a party, and the consummation by the Parent, each Blocker Mergersub and the Acquisition Subsidiary of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of the Parent, each Blocker Mergersub and the Acquisition Subsidiary, respectively. Each of the documents included in the Transaction Documents has been duly and validly executed and delivered by the Parent, each Blocker Mergersub and the Acquisition Subsidiary, as the case may be (to the extent a party thereof), and, assuming it is a valid and binding obligation of the Company, each Blocker and each Blocker Holder (to the extent a party thereto), and constitutes a valid and binding obligation of the Parent, each Blocker Mergersub or the Acquisition Subsidiary, as the case may be, enforceable against them in accordance with its terms, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity.

3.4 Noncontravention. Subject to the filing of each Blocker Certificate of Merger as required by the DGCL and the Certificate of Merger as required by the DLLCA, neither the execution and delivery by the Parent, each Blocker Mergersub or the Acquisition Subsidiary, as the case may be, of this Agreement or the Transaction Documents to which it is a party, nor the consummation by the Parent, each Blocker Mergersub or the Acquisition Subsidiary, as the case may be, of the transactions contemplated hereby or thereby, will (a) conflict with or violate any provision of the organizational documents or bylaws of the Parent, each Blocker Mergersub or the Acquisition Subsidiary, as the case may be, (b) require on the part of the Parent, each Blocker Mergersub or the Acquisition Subsidiary, as the case may be, any filing with, or permit, authorization, consent or approval of, any governmental entity, other than filing of Form D with the SEC and any applicable state securities filings with respect to the offering of the Merger Shares and Blocker Merger Shares, which will be completed by Parent following the Effective Time, (c) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any party any right to terminate, modify or cancel, or require any notice, consent or waiver under, any contract or instrument to which the Parent, any Blocker Mergersub or the Acquisition Subsidiary, as the case may be, is a party or by which either is bound or to which any of their assets are subject, except, in the case of the foregoing clauses (b) and (c), for (i) any conflict, breach, default, acceleration, termination, modification or cancellation which would not reasonably be expected to have a Parent Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby or (ii) any notice, consent or waiver the absence of which would not reasonably be expected to have a Parent Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby, (d) result in the imposition of any security interest upon any assets of the Parent, any Blocker Mergersub or the Acquisition Subsidiary or (e) violate any laws applicable to the Parent, any Blocker Mergersub or the Acquisition Subsidiary, except, in the case of the foregoing clause (e), such violations that would not reasonably be expected to have a Parent Material Adverse Effect.

3.5 Subsidiaries.

(a) The Parent has no subsidiaries, nor does it have any direct or indirect interest in any Subsidiary other than the Blocker Mergersubs and the Acquisition Subsidiary. Each Blocker Mergersub and the Acquisition Subsidiary is an entity duly organized, validly existing and in corporate and Tax good standing under the laws of the jurisdiction of its organization. Each Blocker Mergersub and the Acquisition Subsidiary was formed solely to effectuate the applicable Blocker Merger and the Merger and has not conducted any business operations since its organization. The Parent has delivered or made available to the Company complete and accurate copies of the charter, bylaws or other organizational documents of each Blocker Mergersub and the Acquisition Subsidiary. Neither any Blocker Mergersub nor the Acquisition Subsidiary has any assets other than minimal paid-in capital, has no liabilities or other obligations, and is not in default under or in violation of any provision of its charter, bylaws or other organizational documents. All of the issued and outstanding shares of capital stock of each Blocker Mergersub and the Acquisition Subsidiary are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. All shares of each Blocker Mergersub and the Acquisition Subsidiary are owned by the Parent free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state securities laws), claims, security interests, options, warrants, rights, contracts, calls, commitments, equities and demands. There are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Parent, any Blocker Mergersub or the Acquisition Subsidiary is a party or which are binding on any of them providing for the issuance, disposition or acquisition of any capital stock of the Parent, any Blocker Mergersub or the Acquisition Subsidiary (except as contemplated by this Agreement). There are no outstanding stock appreciation, phantom stock or similar rights with respect to any Blocker Mergersub or the Acquisition Subsidiary. There are no voting trusts, proxies or other agreements or understandings with respect to the voting of any capital stock or other equity of any Blocker Mergersub or of the Acquisition Subsidiary.

(b) At all times from March 20, 2018 (inception) through the date of this Agreement, the business and operations of the Parent have been conducted exclusively through the Parent.

(c) The Parent does not control directly or indirectly or have any direct or indirect participation or similar interest in any corporation, partnership, limited liability company, joint venture, trust or other business association which is not a Subsidiary.

3.6 SEC Reports and Prior Registration Statement Matters. Since the filing of the Parent's Registration Statement on Form 10 on May 30, 2018 (the "**Parent Form 10**"), the Parent has timely filed (or has been deemed to have timely filed pursuant to Rule 12b-25 under the Exchange Act) all reports, forms and documents that it was required to file with the SEC pursuant to the Exchange Act (together with the Parent Form 10, the "**Parent Previous Filings**"). The Parent shall notify the Company immediately and in writing of the filing of any additional forms, reports or documents with the SEC by the Parent after the date hereof and prior to the Effective Time, provided that Company is aware that the Parent will timely file a Current Report on Form 8-K with respect to the execution and delivery of this Agreement (together with the Parent Previous Filings, the "**Parent SEC Filings**"). The Parent has timely filed (or has been deemed to have timely filed pursuant to Rule 12b-25 under the Exchange Act) and made publicly available on the SEC's EDGAR system, and the Company may rely upon, all certifications and statements required by (i) Rule 13a-14 or Rule 15d-14 under the Exchange Act and (ii) Section 906 of the Sarbanes Oxley Act of 2002 with respect to any documents filed with the SEC. The Parent is in compliance in all material respects with all of the provisions of the Sarbanes-Oxley Act of 2002 which are applicable to it. The Parent SEC Filings complied in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder when filed. As of the date hereof, there are no outstanding or unresolved comments in comment letters received from the staff of the SEC with respect to any of the Parent SEC Filings. As of their respective dates, the Parent SEC Filings, including any financial statements, schedules or exhibits included or incorporated by reference therein, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the Subsidiaries of the Parent is required to file or furnish any forms, reports or other documents with the SEC. No order suspending the effectiveness of any registration statement of the Parent under the Securities Act or the Exchange Act has been issued by the SEC and, to the Parent's knowledge, no proceedings for that purpose have been initiated or threatened by the SEC. Since the most recent filing of such certifications and statements, there have been no significant changes in the Parent's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act), or in other factors that could significantly affect its disclosure controls and procedures. The Parent has established and maintains disclosure controls and procedures (as defined in Rules 13a-14 and 15d-14 under the Exchange Act) and such controls and procedures are effective in ensuring that material information relating to the Parent, including its subsidiaries, is made known to the principal executive officer and the principal financial officer.

3.7 Compliance with Laws. Each of the Parent and its Subsidiaries:

(a) and the conduct and operations of their respective businesses, are in compliance in all material respects with each law applicable to the Parent, any Subsidiary of the Parent or any of their properties or assets;

(b) has complied with all federal and state securities laws and regulations, including being current in all of its reporting obligations under such federal and state securities laws and regulations, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, and all prior issuances of its securities have been either registered under the Securities Act or exempt from registration;

(c) has not been the subject of any voluntary or involuntary bankruptcy proceeding, nor has it been a party to any material litigation or, within the past three years, the subject of any threat of material litigation;

(d) has not, and the past and present officers, directors and Affiliates of the Parent have not, been the subject of, nor does any officer or director of the Parent have any reason to believe that the Parent or any of its officers, directors or Affiliates will be the subject of, any civil or criminal proceeding or investigation by any federal or state agency alleging a violation of securities laws;

(e) is not and has not, and the past and present officers, directors and Affiliates of the Parent are not and have not, been the subject of, nor does any officer or director of the Parent have any reason to believe that the Parent or any of its officers, directors or Affiliates are the subject of, any civil, criminal or administrative investigation or proceeding brought by any federal or state agency having regulatory authority over such entity or person or alleging a violation of securities laws;

(f) except as set forth in Section 3.7(f) of the Parent Disclosure Schedule, does not and will not on the Closing, have any liabilities, contingent or otherwise, including but not limited to notes payable and accounts payable, exclusive of professional fees and expenses related to the Merger and Private Placement Offering transactions, including brokers' fees, and is not a party to any executory agreements; and

(g) is not a "blank check company" as such term is defined by Rule 419 of the Securities Act, except for Parent which is a "blank check company."

3.8 Financial Statements. The audited financial statements and unaudited interim financial statements of the Parent included in the Parent SEC Filings (collectively, the "**Parent Financial Statements**") (a) complied as to form in all material respects with applicable accounting requirements and, as appropriate, the published rules and regulations of the SEC with respect thereto when filed, (b) were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby (except as may be indicated therein or in the notes thereto, and in the case of quarterly financial statements, as permitted by Form 10-Q under the Exchange Act), (c) fairly present in all material respects the financial condition, results of operations and cash flows of the Parent as of the respective dates thereof and for the periods referred to therein, and (d) are consistent in all material respects with the books and records of the Parent. There has been no change in Parent accounting policies except as described in the notes to the Parent Financial Statements.

3.9 Absence of Certain Changes. Since the date of the most recent balance sheet contained in a Parent SEC Filing, Parent has conducted its business only in the ordinary course consistent with past practice, and there has not occurred or been entered into, as the case may be, any (a) event or development which, individually or in the aggregate, has had, or could reasonably be expected to have in the future, a Parent Material Adverse Effect, (b) event that would reasonably be expected to prevent or materially delay the performance of the Parent's obligations pursuant to this Agreement, (c) material change by the Parent in its accounting methods, principles or practices, (d) declaration, setting aside or payment of any dividend or distribution in respect of the shares of capital stock of the Parent or any redemption, purchase or other acquisition of any of the Parent's securities, (e) increase in the compensation or benefits payable or to become payable to any officers or directors of the Parent, any Blocker Mergersub or the Acquisition Subsidiary or establishment or modification of any compensatory plan of the Parent, (f) issuance, grants or sale of any stock, options, warrants, notes, bonds or other securities, or entry into any agreement with respect thereto by the Parent, (g) amendment to the certificate of incorporation or bylaws of the Parent, (h) capital expenditures by the Parent, purchase, sale, assignment or transfer of any material assets by the Parent, mortgage, pledge or existence of any lien, encumbrance or charge on any material assets or properties, tangible or intangible of the Parent, except for liens for Taxes not yet due and such other liens, encumbrances, restrictions or charges, or cancellation, compromise, release or waiver by the Parent of any rights of material value or any material debts or claims, (i) incurrence by the Parent of any material liability (absolute or contingent), except for current liabilities and obligations incurred in the ordinary course of business consistent with past practice (which liabilities are not material, individually or in the aggregate), (j) damage, destruction or similar loss, whether or not covered by insurance, materially affecting the business or properties of the Parent, (k) entry by the Parent into any agreement, contract, lease or license, (l) acceleration, termination, modification or cancellation of any agreement, contract, lease or license to which the Parent is a party or by which it is bound, (m) entry by the Parent into any loan or other transaction with any officers, directors or employees of the Parent, (n) charitable or other capital contribution by the Parent or pledge therefore, (o) entry by the Parent into any transaction of a material nature, or (p) negotiation or agreement by the Parent to do any of the things described in the preceding clauses (a) through (o), other than activities in connection with the transactions contemplated by this Agreement.

3.10 Undisclosed Liabilities. None of the Parent and its Subsidiaries has any liability (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated and whether due or to become due), except for (a) liabilities shown on the most recent balance sheet contained in a Parent SEC Filing, (b) liabilities which have arisen since the date of the most recent balance sheet contained in a Parent SEC Filing in the ordinary course of business which do not exceed $25,000 in the aggregate and (c) contractual and other liabilities incurred in the ordinary course of business which are not required by GAAP to be reflected on a balance sheet.

3.11 Off-Balance Sheet Arrangements. Neither the Parent nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off balance sheet partnership or any similar contract or arrangement (including any contract or arrangement relating to any transaction or relationship between or among the Parent and any of its Subsidiaries, on the one hand, and any unconsolidated affiliate, including any structured finance, special purpose or limited purpose entity or person, on the other hand, or any "off balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Parent or any of its Subsidiaries in the Parent's or such Subsidiary's published financial statements or other Parent SEC Filings.

3.12 Tax Matters.

(a) Each of the Parent and its Subsidiaries has filed on a timely basis all Tax Returns that it was required to file, and all such Tax Returns were complete and accurate in all material respects. Neither the Parent nor any of its Subsidiaries is or has ever been a member of a group of corporations with which it has filed (or been required to file) consolidated, combined or unitary Tax Returns, other than a group of which the Parent was the common parent. Each of the Parent and its Subsidiaries has paid on a timely basis all Taxes that were due and payable. The unpaid Taxes of the Parent and its Subsidiaries for tax periods through the date of the balance sheet contained in the most recent Parent SEC Filing do not exceed the accruals and reserves for Taxes (excluding accruals and reserves for deferred Taxes established to reflect timing differences between book and Tax income) set forth on such balance sheet. Neither the Parent nor any of its Subsidiaries has any actual or potential liability for any Tax obligation of any taxpayer (including without limitation any affiliated group of corporations or other entities that included the Parent or any of its Subsidiaries during a prior period) other than the Parent and its Subsidiaries. All Taxes that the Parent or any of its Subsidiaries is or was required by law to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper governmental entity. There are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of the Parent or its Subsidiaries.

(b) The Parent has delivered or made available to the Company complete and accurate copies of all federal and state income Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by the Parent or any of its Subsidiaries since March 20, 2018 (the Parent's inception). No examination or audit of any Tax Return of the Parent or any of its Subsidiaries by any governmental entity is currently in progress or, to the knowledge of the Parent, threatened or contemplated. Neither the Parent nor any of its Subsidiaries has been informed by any jurisdiction that the jurisdiction believes that the Parent or any of its Subsidiaries was required to file any Tax Return that was not filed. Neither the Parent nor any of its Subsidiaries has waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency.

(c) Neither the Parent nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date, including any adjustment pursuant to Code Sections 481 or 263A (or any corresponding or similar provision of state, local or foreign law); (ii) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date; (iii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of U.S. state, local or non-U.S. law) executed on or prior to the Closing Date; (iv) installment sale or open transaction disposition made on or prior to the Closing Date; (v) prepaid amount or any other income eligible for deferral under the Code or Treasury Regulations promulgated thereunder (including, without limitation, pursuant to Sections 455 or 456 of the Code, Treasury Regulations Section 1.451-5 and Revenue Procedure 2004-34, 2004-33 I.R.B. 991) received on or prior to the Closing Date; (vi) intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of U.S. state, local or non-U.S. income Tax law); (vii) election made under Section 108(i) of the Code prior to the Closing or (viii) any similar election, action, or agreement that would have the effect of deferring any liability for Taxes of the Company from any period ending on or before the Closing Date to any period ending after such date.

(d) Neither the Parent nor any of its Subsidiaries has participated in any "listed transaction," as defined in Section 6706A(c)(2) of the Code and Treasury Regulations Sections 1.6011- 4(b)(2).

(e) Neither the Parent nor any of its Subsidiaries has taken or agreed to take any action not contemplated by this Agreement that could reasonably be expected to prevent the Merger, together with the Blocker Mergers and the Private Placement Offering, from qualifying for the Intended Tax Treatment. To the knowledge of Parent, no facts or circumstances exist that could reasonably be expected to prevent the Merger, together with the Blocker Mergers and the Private Placement Offering, from qualifying for the Intended Tax Treatment.

3.13 Assets. Each of the Parent, each Blocker Mergersub and the Acquisition Subsidiary owns or leases all tangible assets necessary for the conduct of its businesses as presently conducted and as presently proposed to be conducted. Each such tangible asset is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear) and is suitable for the purposes for which it presently is used. No asset of the Parent, any Blocker Mergersub or the Acquisition Subsidiary (tangible or intangible) is subject to any security interest.

3.14 Real Property. Neither the Parent nor any of its Subsidiaries owns, leases or uses any real property, nor have they ever owned, leased or used any real property.

3.15 Contracts. Except for this Agreement, the agreements to be executed by the Parent that are included as exhibits to this Agreement or such agreements that comprise the Transaction Documents, the agreements filed as exhibits to the Parent SEC Filings, and the agreements set forth on Section 3.15 of the Parent Disclosure Schedule, the Parent is not a party to any contract, agreement, arrangement or other understanding, whether written or oral, which is currently in effect. All agreements or commitments set forth on Section 3.15 of the Parent Disclosure Schedule shall either be cancelled or satisfied at the Effective Time except for outstanding liabilities set forth in Section 3.7(f) of the Parent Disclosure Schedule.

3.16 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of the Parent or any of its Subsidiaries.

3.17 Insurance. The Parent does not own or maintain any insurance policies, nor is any insurance necessary for the operation of its business.

3.18 Litigation. As of the date of this Agreement, there is no legal proceeding which is pending or, to the Parent's knowledge, threatened against the Parent or any Subsidiary of the Parent and there is no reasonable basis for any proceeding, claim, action or governmental investigation directly or indirectly involving the Parent, any Blocker Mergersub, the Acquisition Subsidiary, or the Parent's officers, directors or employees, in their capacities as such, individually or in the aggregate. Neither the Parent, any Blocker Mergersub nor Acquisition Subsidiary are party to any order, judgment or decree issued by any federal, state or other governmental department, court, commission, board, bureau, agency or instrumentality, domestic or foreign.

3.19 Employees.

(a) Other than the sole officer of the Parent, the Parent and the Subsidiaries of the Parent have no employees.

(b) Neither the Parent nor any of its Subsidiaries is or ever has been a party to or bound by any collective bargaining agreement, nor have any of them experienced any strikes, grievances, claims of unfair labor practices or other collective bargaining disputes. There has been no organizational effort made or, to the knowledge of the Parent, threatened, either currently or since the date of organization of the Parent, by or on behalf of any labor union with respect to the service providers of the Parent or any of its Subsidiaries. Each individual providing services to the Parent or any of its Subsidiaries has been properly classified as an employee or a non- employee service provider with respect to each such entity for all purposes under applicable law. No current or former employee, consultant or director of the Parent, any Blocker Mergersub or the Acquisition Subsidiary owes any indebtedness to the Parent, any Blocker Mergersub, the Acquisition Subsidiary or their Affiliates, nor does the Parent, any Blocker Mergersub, the Acquisition Subsidiary or their Affiliates owe any indebtedness to any current or former employee, consultant or director of the Parent, any Blocker Mergersub or the Acquisition Subsidiary, other than in connection with the Parent's obligations under that certain Promissory Note, by and between the Parent and Mark Tompkins, dated as of March 22, 2018.

3.20 Employee Benefits. Neither the Parent nor any of its Subsidiaries or ERISA Affiliates maintains, sponsors or contributes to or in the past has maintained, sponsored or contributed to any employee benefit plan (as defined in Section 3(3) of ERISA, whether or not ERISA applies to the arrangement) or multiemployer plan (each capitalized term in this sentence as defined in Section 4001(a)(3) of ERISA). Neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement shall, individually or in the aggregate, (a) result in any payment becoming due to any officer, employee, consultant or director of the Parent, any Blocker Mergersub or the Acquisition Subsidiary, (b) increase or modify any benefits otherwise payable by the Parent, any Blocker Mergersub or the Acquisition Subsidiary to any employee, consultant or director of the Parent, any Blocker Mergersub or the Acquisition Subsidiary, or (c) result in the acceleration of time of payment or vesting of any such benefits.

3.21 Environmental Matters.

(a) Each of the Parent and its Subsidiaries has complied with all applicable Environmental Laws, except for violations of Environmental Laws that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect. There is no pending or, to the knowledge of the Parent, threatened civil or criminal litigation, written notice of violation, formal administrative proceeding, or investigation, inquiry or information request by any governmental entity, relating to any Environmental Law involving the Parent or any of its Subsidiaries, except for litigation, notices of violations, formal administrative proceedings or investigations, inquiries or information requests that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(b) The Parent has no environmental reports, investigations or audits relating to premises currently or previously owned or operated by the Parent or any of its Subsidiaries (whether conducted by or on behalf of the Parent or its Subsidiaries or a third party, and whether done at the initiative of the Parent or any of its Subsidiaries or directed by a governmental entity or other third party) which were issued or conducted during the past five years and which the Parent has possession of or access to.

(c) To the knowledge of the Parent, there is no material environmental liability of any solid or hazardous waste transporter or treatment, storage or disposal facility that has been used by the Parent or any of its Subsidiaries.

(d) For purposes of this Agreement, "**Environmental Law**" means any Law relating to the environment, including without limitation any Law pertaining to (i) treatment, storage, disposal, generation and transportation of industrial, toxic or hazardous materials or substances or solid or hazardous waste; (ii) air, water and noise pollution; (iii) groundwater and soil contamination; (iv) the release or threatened release into the environment of industrial, toxic or hazardous materials or substances, or solid or hazardous waste, including without limitation emissions, discharges, injections, spills, escapes or dumping of pollutants, contaminants or chemicals; (v) the protection of wild life, marine life and wetlands, including without limitation all endangered and threatened species; (vi) storage tanks, vessels, containers, abandoned or discarded barrels, and other closed receptacles; (vii) the reclamation of mines; (viii) health and safety of employees and other persons; and (ix) manufacturing, processing, using, distributing, treating, storing, disposing, transporting or handling of materials regulated under any law as pollutants, contaminants, toxic or hazardous materials or substances or oil or petroleum products or solid or hazardous waste. As used above, the terms "release" and "environment" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

3.22 Permits. Parent has no licenses, permits and certificates from federal, state, local and foreign authorities (including, without limitation, federal and state agencies regulating occupational health and safety), and none are necessary to its operations and business.

3.23 Certain Business Relationships with Affiliates. No Affiliate of the Parent or of any of its Subsidiaries (a) owns any property or right, tangible or intangible, which is used in the business of the Parent or any of its Subsidiaries, (b) has any claim or cause of action against the Parent or any of its Subsidiaries, or (c) owes any money to, or is owed any money by, the Parent or any of its Subsidiaries except as disclosed in the Parent SEC Filings.

3.24 Reorganization. Parent conducts no activities other than activities related to maintaining its legal and/or corporate existence, its status as a "shell company" as defined in Rule 12b-2 under the Exchange Act and holding the capital stock of each Blocker Mergersub and Acquisition Subsidiary and any related accounting, legal, financial, administrative, tax and other similar activities related to such matters.

3.25 Brokers' Fees. Except as listed on Section 3.25 of the Parent Disclosure Schedule, neither the Parent nor any of its Subsidiaries has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

3.26 Disclosure. No representation or warranty by the Parent, any Blocker Mergersub or the Acquisition Subsidiary contained in this Agreement, and no statement contained in any document, certificate or other instrument delivered or to be delivered by or on behalf of the Parent, any Blocker Mergersub or the Acquisition Subsidiary pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading. The Parent has disclosed to the Company all material information relating to the business of the Parent or any of its Subsidiaries or the transactions contemplated by this Agreement.

3.27 Interested Party Transactions. To the knowledge of the Parent, no officer, director or stockholder of the Parent or any "affiliate" (as such term is defined in Rule 12b-2 under the Exchange Act) (each, an "**Affiliate**") or "associate" (as such term is defined in Rule 405 under the Securities Act) of any such person currently has or has had, either directly or indirectly, (a) an interest in any person that (i) furnishes or sells services or products that are furnished or sold or are proposed to be furnished or sold by the Parent or any of its Subsidiaries or (ii) purchases from or sells or furnishes to the Parent or any of its Subsidiaries any goods or services, or (b) other than as disclosed in the Parent SEC Filings, a beneficial interest in any contract or agreement to which the Parent or any of its Subsidiaries is a party or by which it may be bound or affected. Except as set forth in the Parent SEC Filings, Parent is not indebted to any officer, director or stockholder of the Parent or any "affiliate" or "associate" of any such person (each such person, a "**Parent Insider**") (except for reimbursement of ordinary business expenses) and no Parent Insider is indebted to the Parent (except for cash advances for ordinary business expenses), all of which shall be paid or cancelled immediately at or prior to the Effective Time by Parent's stockholders. Neither the Parent nor any of its Subsidiaries has extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Parent or any of its Subsidiaries.

3.28 Accountants. Except for the preparation and filing of the Parent's corporate Tax Returns, there are have been no non-audit services performed by Raich Ende Malter & Co. LLP (the "**Parent Auditor**") for the Parent and/or any of its Subsidiaries, and the Parent has not taken any action or failed to take any action that would reasonably be expected to impair the independence of the Parent Auditor. The report of the Parent Auditor on the financial statements of the Parent for the past fiscal year did not contain an adverse opinion or a disclaimer of opinion, or was qualified as to uncertainty, audit scope, or accounting principles, although it did express uncertainty as to the Parent's ability to continue as a going concern. During the Parent's most recent fiscal year and the subsequent interim periods, there were no disagreements with the Parent Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures. None of the reportable events listed in Item 304(a)(1)(iv) or (v) of Regulation S-K occurred with respect to the Parent Auditor.

3.29 Minute Books. The minute books and other similar records of the Parent and each of its Subsidiaries contain, in all material respects, complete and accurate records of all actions taken at any meetings of directors (or committees thereof) and stockholders or actions by written consent in lieu of the holding of any such meetings since the time of organization of each such corporation through the date of this Agreement. The Parent has provided true and complete copies of all such minute books and other similar records to the Company's representatives.

3.30 Board Action. The Parent's Board of Directors (a) has unanimously determined that the Merger is advisable and in the best interests of the Parent's stockholders and is on terms that are fair to such Parent stockholders, (b) has caused the Parent, in its capacity as the sole securityholder of each Blocker Mergersub and the Acquisition Subsidiary, and the Board of Managers or Board of Directors, as applicable, of each Blocker Mergersub and the Acquisition Subsidiary, to approve the Merger and this Agreement by unanimous written consent, and (c) adopted this Agreement in accordance with the provisions of the DGCL.

3.31 Intellectual Property. The Parent does not own or license the right to use any patents, copyrights, trademarks, know-how or software, and none are or ever have been necessary for the operation of its business. To the Parent's knowledge, the Parent is not infringing, and has never infringed, upon the intellectual property or proprietary rights of any person. There are no claims pending or, to the Parent's knowledge, threatened alleging that the Parent is currently infringing upon or using in an unauthorized manner or violating the intellectual or proprietary rights of any person, and the Parent is unaware of any facts which would form a reasonable basis for any such claim. The Parent is not, nor will it be as a result of the execution and delivery of this Agreement or the performance of its obligations under this Agreement, in breach of any license, sublicense or other agreement or contract relating to intellectual property.

3.32 Investment Company. None of the Parent, any Blocker Mergersub or Acquisition Subsidiary is as of the date of this Agreement, nor upon the Closing will be, an "investment company," a company controlled by an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

3.33 Foreign Corrupt Practices Act. Neither the Parent nor its Subsidiaries, nor to the Parent's knowledge, any agent or other person acting on behalf of the Parent or its Subsidiaries, has: (a) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (b) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (c) failed to disclose fully any contribution made by the Company (or made by any person acting on its behalf of which the Parent is aware) which is in violation of law or (d) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

3.34 No Integrated Offering. Neither Parent nor any Affiliates of Parent, nor any person acting on the behalf of any of the foregoing, has, directly or indirectly, (a) made any offers or sales of any security or solicited any offers to purchase any security, under circumstances that would require registration of any of the shares of Parent Common Stock issuable pursuant to this Agreement under the Securities Act or cause this offering of such shares of Parent Common Stock to be integrated with prior offerings by Parent for purposes of the Securities Act or any applicable shareholder approval requirements of any authority, or (b) made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the shares to be issued in the Private Placement Offering under the Securities Act or cause Private Placement Offering to be integrated with prior offerings by the Parent for purposes of the Securities Act.

3.35 No General Solicitation. Neither the Parent, nor any of its Affiliates, nor, to the knowledge of the Parent, any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the shares to be issued in the Private Placement Offering.

3.36 Application of Takeover Provisions. The Parent and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, or other similar takeover, anti-takeover, moratorium, fair price, interested shareholder or similar provision under the certificate of incorporation of the Parent or the laws of the State of Delaware to the transactions contemplated hereby, including the Merger and the Blocker Merger and the Parent's issuance of shares of Parent Common Stock to the members of the Company and the Blocker Holders. The Parent has never adopted any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Parent Common Stock or a change in control of the Parent.

ARTICLE IV

COVENANTS

4.1 Conduct of the Business Prior to Closing; Closing Efforts.

(a) From the date hereof to the earlier of the Closing Date or the termination of this Agreement, the Parent shall not take any of the actions specified in Section 3.9, except (i) as consented to by the Company, it being understood that the Company shall not unreasonably withhold, delay or condition its consent to any request made in accordance with this Section 4.1(a), (ii) as expressly contemplated by this Agreement or (iii) as required by law.

(b) Each of the Parties shall use its best efforts, to the extent commercially reasonable in light of the circumstances ("**Reasonable Best Efforts**"), to take all actions and to do all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including without limitation using its Reasonable Best Efforts to ensure that (a) its representations and warranties remain true and correct in all material respects through the Closing Date and (b) the conditions to the obligations of the other Parties to consummate the Merger are satisfied.

4.2 Governmental and Third-Party Notices and Consents.

(a) Each Party shall use its Reasonable Best Efforts to obtain, at its expense, all waivers, permits, consents, approvals or other authorizations from governmental entities, and to effect all registrations, filings and notices with or to governmental entities, as may be required for such Party to consummate the transactions contemplated by this Agreement and to otherwise comply with all applicable Laws in connection with the consummation of the transactions contemplated by this Agreement. The Company acknowledges it will cause the Parent, following the Effective Time, to timely complete all filings with the SEC and individual states required by Regulation D under the Securities Act with respect to the issuance of the Merger Shares and in connection with the Private Placement Offering.

(b) The Company shall use its Reasonable Best Efforts to obtain, at its expense, all such waivers, consents or approvals from third parties, and to give all such notices to third parties, if any, as are required to be listed in Section 2.4 of the Company Disclosure Schedule or otherwise required to consummate the transactions contemplated hereby.

4.3 Super 8-K. Promptly after the execution of this Agreement, the Parties shall complete a Current Report on Form 8-K relating to this Agreement and the transactions contemplated hereby (including the "Form 10 information" required by Items 2.01(f) and 5.01(a)(8) of Form 8-K and the financial statements required thereby) (the "**Super 8-K**"). Each of the Company and the Parent shall use its Reasonable Best Efforts to cause the Super 8-K to be filed with the SEC within four Business Days after the Closing of the transactions contemplated by this Agreement and to otherwise comply with all requirements of applicable federal and state securities laws.

4.4 Access to Company Information.

(a) During the period from the date of this Agreement to the Effective Time, the Company shall permit representatives of the Parent to have reasonable access (at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Company) to all premises, properties, financial and accounting records, contracts, other records and documents, and personnel, of or pertaining to the Company.

(b) The Parent and each of its Subsidiaries (i) shall treat and hold as confidential any Company Confidential Information (as defined below), (ii) shall not use any of the Company Confidential Information except in connection with this Agreement, and (iii) if this Agreement is terminated for any reason whatsoever, shall return to the Company all tangible embodiments (and all copies) thereof which are in its possession. For purposes of this Agreement, "**Company Confidential Information**" means any information of the Company that is furnished to the Parent or any of its Subsidiaries by the Company in connection with this Agreement; provided, however, that it shall not include any information (A) which, at the time of disclosure, is available publicly other than as a result of non-permitted disclosure by the Parent, any of its Subsidiaries or their respective directors, officers, or employees, (B) which, after disclosure, becomes available publicly through no fault of the Parent, any of its Subsidiaries or their respective directors, officers, or employees, (C) which the Parent or any of its Subsidiaries knew or to which the Parent or any of its Subsidiaries had access prior to disclosure, as demonstrated by competent evidence, provided that the source of such information is not known by the Parent or any of its Subsidiaries to be bound by a confidentiality obligation to the Company, or (D) which the Parent or any of its Subsidiaries rightfully obtains from a source other than the Company, provided that the source of such information is not known by the Parent or any of its Subsidiaries to be bound by a confidentiality obligation to the Company.

(c) The Company (i) shall treat and hold as confidential any Parent Confidential Information (as defined below), (ii) shall not use any of the Parent Confidential Information except in connection with this Agreement, and (iii) if this Agreement is terminated for any reason whatsoever, shall return to the Parent all tangible embodiments (and all copies) thereof which are in its possession. For purposes of this Agreement, "**Parent Confidential Information**" means any information of the Parent or any Subsidiary of the Parent that is furnished to the Company by the Parent or its Subsidiaries in connection with this Agreement; provided, however, that it shall not include any information (A) which, at the time of disclosure, is available publicly other than as a result of non-permitted disclosure by the Company or their respective directors, officers, or employees, (B) which, after disclosure, becomes available publicly through no fault of the Company or their respective directors, officers, or employees, (C) which the Company knew or to which the Company had access prior to disclosure, as demonstrated by competent evidence, provided that the source of such information is not known by the Company or any Company Subsidiary to be bound by a confidentiality obligation to the Parent or any Subsidiary of the Parent or (D) which the Company rightfully obtains from a source other than the Parent or a Subsidiary of the Parent, provided that the source of such information is not known by the Company or any Company Subsidiary to be bound by a confidentiality obligation to the Parent or any Subsidiary of the Parent.

4.5 Expenses. The costs and expenses of each Party (including legal fees and expenses of such Party) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party that incurred such costs and expenses, unless otherwise agreed to by such Parties. The Parties agree that $200,000 of the fees of Sichenzia Ross Ference LLP and its reasonable and documented out-of-pocket expenses related to the transactions contemplated by this Agreement shall be paid from the gross proceeds of the Private Placement Offering at the closing thereof.

4.6 Indemnification.

(a) The Parent shall not, and shall cause the Surviving Company not to, after the Effective Time, take any action to alter or impair any exculpatory or indemnification provisions now existing in the certificate of formation or the limited liability company operating agreement of the Company for the benefit of any individual who served as a director or officer of the Company at any time prior to the Effective Time, except for any changes which may be required to conform with changes in applicable Law and any changes which do not affect the application of such provisions to acts or omissions of such individuals prior to the Effective Time.

(b) From and after the Effective Time, the Parent agrees that it will, and will cause the Surviving Company to, indemnify and hold harmless each current and former director and officer of the Company (the "**Indemnified Executives**") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages, liabilities or amounts paid in settlement incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted under Delaware law (and the Parent and the Surviving Company shall also advance expenses as incurred to the fullest extent permitted under Delaware law, provided the Indemnified Executive to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Indemnified Executive is not entitled to indemnification).

(c) At or prior to the Effective Time, the Company shall purchase a directors' and officers' liability insurance "tail policy" with a claims period of six (6) years from the Closing Date, and on terms and conditions no less favorable to the Indemnified Executives that those in effect under the Company's existing directors' and officers' liability insurance policy in effect on the date hereof, for the benefit of the Indemnified Executives with respect to their acts and omissions as directors and officers of the Company or its subsidiaries occurring prior to the Effective Time (such policy, the "**D&O Tail Policy**").

(d) The provisions of this Section 4.6 shall survive the Closing and are intended to be for the benefit of, and enforceable by, each Indemnified Executive, and nothing in this Agreement shall affect any indemnification rights that any such Indemnified Executive may have under the certificate of formation or the limited liability company operating agreement of the Company or any contract or instrument or applicable Law, including any contract, agreement or arrangement between the Parent, the Company, the Surviving Company or any of their respective Subsidiaries (on the one hand) and any such Indemnified Executive, any investor or third party (on the other hand). Notwithstanding anything in this Agreement to the contrary, the obligations under this Section 4.6 shall not be terminated or modified in such a manner as to adversely affect any Indemnified Executive without the consent of such Indemnified Executive.

(e) From and after the Effective Time, the Parent and the Surviving Company agree that it will, and will cause the Surviving Company to, indemnify each director and officer of the Parent listed on Schedule 4.6(d) attached hereto (the "**Parent Indemnified Executives**") for actions arising out of or pertaining to actions relating to the approval of and entering into the this Agreement, the Transaction Documents, the Merger and each of the transactions contemplated by this Agreement pursuant to an agreement in the form attached hereto as Exhibit B (collectively, the "**Pre-Merger Indemnity Agreements**").

(f) Parent shall obtain and purchase director and officer liability insurance ("**D&O Insurance**") to be effective as of 12:01 a.m. on the Closing Date, covering the (x) the directors and officers of the Parent immediately after the Effective Time and (y) the Parent Indemnified Executives, and such D&O Insurance shall include coverage for any acts or omissions that take place on or after the Closing Date in connection with the transactions contemplated by this Agreement, and shall be maintained in effect for a period of at least six (6) years following the Effective Time.

(g) Notwithstanding anything to the contrary in this Section 4.6, from and after the Effective Time, each of the Parent and the Company agrees that any indemnification available to any Indemnified Executive who on or prior to the Closing Date was a director of the Company or any of its Subsidiaries by virtue of such Indemnified Executive's service as a partner or employee of any investment fund affiliated with or managed by any Company Unitholder or any of such Company Unitholder's Affiliates on or prior to the Closing Date (any such Indemnified Executive, a "**Unitholder Nominated Director**") shall be secondary to the indemnification to be provided by the Parent, the Surviving Company and its Subsidiaries pursuant to this Section 4.6 and that the Parent, the Surviving Company and its Subsidiaries (i) shall be the primary indemnitors of first resort for the Unitholder Nominated Directors pursuant to this Section 4.6, (ii) shall be fully responsible for the indemnification and exculpation from liabilities with respect to the Unitholder Nominated Directors which are addressed by this Section 4.6 and (iii) shall not make any claim for contribution, subrogation or any other recovery of any kind in respect of any other indemnification or insurance available to any Unitholder Nominated Director with respect to any matter addressed by this Section 4.6.

4.7 Registration and Quotation of Shares. Promptly, but no later than sixty (60) calendar days after the final closing of the Private Placement Offering, the Parent shall (a) file a Form 211 with the Financial Industry Regulatory Authority in accordance with Rule 15(c)2-11 of the Exchange Act and (b) file, subject to customary exceptions, an appropriate registration statement with the SEC covering the resale of the Merger Shares, the Blocker Merger Shares, the Pre-Merger Shares and the shares of Parent Common Stock issued in the Private Placement Offering (the "**Registrable Shares**" and the "**Registration Statement**"). Pursuant to the terms of the registration rights agreement to be entered into in connection with the Private Placement Offering, the Parent shall take commercially reasonable efforts to ensure that (i) the Registration Statement be declared effective, and (ii) the Parent Common Stock, including the Registrable Shares, be eligible for quotation on the OTC Markets QB Tier or a national securities exchange, in each case, within one hundred and fifty (150) calendar days after the final closing of the Private Placement Offering.

4.8 Name and Fiscal Year Change. The Parent shall change its fiscal year end to December 31, such change to take effect at the Effective Time. Promptly after the Effective Time, the Parent shall amend its Certificate of Incorporation to change its corporate name to Compass Pharmaceuticals, Inc., or such other name as specified by the Company.

4.9 Parent Board; Amendment of Charter Documents. The Parent shall take such actions as are necessary (including the solicitation of approvals by the Board of Directors and the stockholders of the Parent), if the Parent has not already done so prior to the Effective Time, (a) to authorize the Parent's Board of Directors to consist of five (5) members, the majority of whom shall be independent within the meaning of the Nasdaq Stock Market's corporate governance rules, (b) to amend and restate its bylaws in a manner satisfactory to the Company, and (c) to amend and restate its certificate of incorporation in a manner satisfactory to the Company.

4.10 Equity Plans. As of the Effective Time, (i) the Board of Directors of Parent shall (a) adopt the equity incentive plan attached hereto as Exhibit C (the "**2020 Plan**") and (ii) the stockholders of the Parent shall adopt the 2020 Plan, subject to effectiveness in accordance with Regulation 14C of the Exchange Act. The 2020 Plan shall provide for the issuance of awards covering an aggregate of up to 2,930,836 shares of Parent Common Stock. The 2020 Plan will provide that the shares of Parent Common Stock reserved for issuance will be subject to increase annually on the first day of each fiscal year beginning with the 2021 fiscal year and ending on (and including) fiscal year 2031, at the discretion of the Administrator (as such term is defined in the 2020 Plan), in an amount equal to four percent (4%) of the shares of Parent Common Stock outstanding on the last day of the immediately preceding fiscal year.

4.11 Information Provided to Members and Stockholders. The Company has prepared, with the cooperation of the Parent, information to be sent to the holders of Company Units in connection with receiving their approval of the Merger, this Agreement and related transactions (including, without limitation, a substantially complete draft of the Super 8-K), and the Parent shall prepare, with the cooperation of the Company, information to be sent to the holders of shares of Parent Common Stock in connection with receiving their approval of the Merger, this Agreement and related transactions. The Parent and the Company shall each use Reasonable Best Efforts to cause information provided to such party's members or stockholders, as the case may be, to comply with applicable federal and state securities laws requirements. Each of the Parent and the Company agrees to provide promptly to the other such information concerning its business and financial statements and affairs as, in the reasonable judgment of the providing party or its counsel, may be required or appropriate for inclusion in the information sent, or in any amendments or supplements thereto, and to cause its counsel and auditors to cooperate with the other's counsel and auditors in the preparation of the information to be sent to the members or stockholders, as the case may be, of each Party. The Company will promptly advise the Parent, and the Parent will promptly advise the Company, in writing if at any time prior to the Effective Time either the Company or the Parent shall obtain knowledge of any facts that might make it necessary or appropriate to amend or supplement the information sent in order to make the statements contained or incorporated by reference therein not misleading or to comply with applicable Law. The information sent by the Company shall contain the recommendation of the Board of Directors of the Company that the holders of Company Units approve the Merger and this Agreement and the conclusion of the Board of Directors of the Company that the terms and conditions of the Merger are advisable and fair and in the best interests of the Company and such holders. The information sent by the Parent shall contain the conclusion of the Board of Directors of the Parent that the terms and conditions of the Merger are advisable and fair and in the best interests of the Parent. Anything to the contrary contained herein notwithstanding, the Company shall not include in the information sent to its members any information with respect to the Parent or its Affiliates or associates, the form and content of which information shall not have been approved by such party in its reasonable discretion prior to such inclusion.

4.12 Change in Auditors. The Parent shall provide the Parent Auditor with a copy of the Super 8-K and shall request that the Parent Auditor furnish a letter (the "**Auditor Letter**") addressed to the SEC stating whether the Parent Auditor agrees with the statements made by the Parent in the Super 8-K.

4.13 Private Placement. Each of the Company and the Parent shall take all necessary action on its part such that the issuance of the Merger Shares to Company Unitholders and the Blocker Merger Shares to Blocker Holders is exempt from registration under the Securities Act.

4.14 Failure to Fulfill Conditions. In the event that any of the Parties determines that a condition to its respective obligations to consummate the transactions contemplated hereby cannot be fulfilled on or prior to the termination of this Agreement, it will promptly notify the other party.

4.15 Notification of Certain Matters. At or prior to the Effective Time, each party shall give prompt notice to the other party of (a) the occurrence or failure to occur of any event or the discovery of any information, which occurrence, failure or discovery would be likely to cause any representation or warranty on its part contained in this Agreement to be untrue, inaccurate or incomplete after the date hereof in any material respect or, in the case of any representation or warranty given as of a specific date, would be likely to cause any such representation or warranty on its part contained in this Agreement to be untrue, inaccurate or incomplete in any material respect as of such specific date, and (b) any material failure of such party to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereunder.

4.16 Payoff Letter. The Parent shall have delivered to the Company a payoff letter executed by the individual listed on Schedule 4.17 (the "**Debt Holder**") in a form reasonably acceptable to the Company and the Debt Holder (the "**Payoff Letter**") setting forth (x) the amount required to pay off the indebtedness owing to the Debt Holder, (y) upon payment of such amount, the termination of the contract with respect to such indebtedness and a release of the Parent, and (z) Debt Holder's commitment to release all liens that the Debt Holder may hold on the Parent prior to the Closing Date or an authorization for the Parent to do so.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF EACH BLOCKER AND BLOCKER HOLDER

Each Blocker and Blocker Holder hereby severally, and not jointly, represents and warrants to Parent, as of the Closing, the following:

5.1 Organization, Qualification and Corporate Power. Each Blocker is a corporation or limited liability company, as the case may be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, and has the requisite corporate or limited liability company power to own its properties and to carry on its business as now being conducted. Each Blocker is duly qualified as a foreign corporation or limited liability company, as the case may be, to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have any material adverse effect on the ability of such Blocker to perform its obligations under this Agreement.

5.2 Authorization, Enforcement, Compliance with Other Instruments. (i) Each Blocker and Blocker Holder has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party in accordance with the terms hereof and thereof; (ii) the execution and delivery each Blocker and Blocker Holder of each of the Transaction Documents to which it is a party and the consummation by it of the transactions contemplated hereby and thereby, including, without limitation, the consummation of the applicable Blocker Merger, have been duly authorized by the managers, Board of Directors or other governing body of such Blocker, and no further consent or authorization is required by such Blocker, the managers, Board of Directors or other governing body of such Blocker or such Blocker Holder; (iii) each of the Transaction Documents have been duly executed and delivered by each Blocker and Blocker Holder; and (iv) the Transaction Documents constitute the valid and binding obligations of each Blocker and Blocker Holder enforceable against such Blocker and Blocker Holder in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies and, with respect to any rights to indemnity or contribution contained in the Transaction Documents, as such rights may be limited by state or federal laws or public policy underlying such laws.

5.3 Capitalization. As of the date hereof, the authorized capital of each Blocker is set forth on Schedule 1. Schedule 1 sets forth a complete and accurate list of all securities of such Blocker and the holder thereof. All of the issued and outstanding equity interests of such Blocker are duly authorized, validly issued, fully paid, nonassessable and, effective as of the applicable Blocker Effective Time, free of all preemptive rights, and have been or will be issued in accordance with applicable laws, including but not limited to, the Securities Act. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to such Blocker.

5.4 Non-contravention. The execution, delivery and performance of each of the Transaction Documents by each Blocker and Blocker Holder, and the consummation by such Blocker and Blocker Holder of the transactions contemplated hereby and thereby including consummation of the applicable Blocker Merger in accordance with this Agreement will not (i) result in a violation of the operating agreement (or equivalent constitutive document) of such Blocker (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any contract, agreement, mortgage, indebtedness, indenture or instrument to which such Blocker is a party, except for those which would not reasonably be expected to have a material adverse effect on such Blocker to consummate the applicable Blocker Merger, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including U.S. federal and state securities laws and regulations) applicable to such Blocker or Blocker Holder or by which any property or asset of such Blocker or Blocker Holder is bound or affected, except for those which would not reasonably be expected to have a material adverse effect on such Blocker to consummate the applicable Blocker Merger. No Blocker or Blocker Holder is in violation of or in default under, any provision of its operating agreement or any other constitutive documents. Neither any Blocker nor any Blocker Holder is in violation of any term of or in default under any contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to such Blocker or Blocker Holder, which violation or breach has had or would reasonably be expected to have a material adverse effect on such Blocker to consummate the applicable Blocker Merger. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable state securities laws, neither any Blocker nor any Blocker Holder is required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under or contemplated by this Agreement or the other Transaction Documents in accordance with the terms hereof or thereof, other than the filing of the applicable Blocker Certificate of Merger with the Delaware Secretary of State. All consents, authorizations, orders, filings and registrations that any Blocker or Blocker Holder is required to obtain pursuant to the preceding sentence have been or will be obtained or effected on or prior to the Closing.

5.5 Litigation. There are no actions, suits or proceedings pending or, insofar as the Blocker Holder or Blocker has any knowledge, threatened against the Blocker Holder or Blocker, at law or in equity, by or before any governmental entity in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated by this Agreement or any other Transaction Document.

5.6 Blocker Operations. Each Blocker (a) has not, since the date of its incorporation, owned any assets, carried on any business or conducted any operations other than the holding, directly or indirectly, of equity securities of the Company, (b) is not and has never been a party to or otherwise bound by any contract to which the Company is not a party (other than related to issuances of equity securities to such Blocker Holder or such Blocker Holder's ownership interest in another entity that owned Company Units), (c) does not currently have and has never had any employees or independent contractors, and (d) does not have any Subsidiaries or investments (other than the equity securities of the Company).

5.7 No Liabilities. Except under agreements with the Company in effect as of the date hereof, each Blocker has no liabilities or obligations of any nature, whether known or unknown, accrued, contingent, asserted or otherwise. No liens have been imposed on such Blocker or any of its assets or any equity securities of such Blocker.

5.8 Tax Matters.

(a) Each Blocker has filed all U.S. federal income and all other material Tax returns that it was required to file, and has paid all material Taxes (whether or not shown thereon as owing). All such Tax returns are true, correct, and complete in all material respects. Such Blocker is not currently the beneficiary of any extension of time within which to file any Tax return, other than extensions of time to file Tax returns obtained in the ordinary course of business. There are no liens for Taxes (other than Taxes not yet due or delinquent) upon any of the assets of such Blocker.

(b) Such Blocker has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(c) No federal, state, local, or non-U.S. Tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to such Blocker. Such Blocker has not received from any federal, state, local, or non-U.S. taxing authority any (a) written notice indicating an intent to open an audit or other review or (b) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against such Blocker.

(d) Such Blocker is not a party to any tax allocation or sharing agreement or similar contract or arrangement.

(e) Such Blocker is not nor has been a party to any "listed transaction," as defined in Section 6707A(c)(2) of the Code and Treasury Regulation Section 1.6011-4(b)(2).

(f) No federal, state, local, and foreign income Tax returns filed with respect to the Blocker for taxable periods ended on or after January 1, 2013 have been audited. Correct and complete copies of all material examination reports and statements of deficiencies assessed against or agreed to by such Blocker filed or received on or after January 1, 2013 have been delivered or made available to the Parent. Such Blocker has made available to the Parent true, correct and complete copies of all material income Tax returns filed by it after December 31, 2013.

(g) Such Blocker (a) is not and has not ever been a member of a combined, consolidated, unitary or similar Tax group, or filed a combined, consolidated, unitary or similar Tax return and (b) has no liability for Taxes of any person, under Section 1.1502-6 of the Treasury Regulations (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise.

(h) No claim has ever been made by any taxing authority or other governmental entity in writing in a jurisdiction in which such Blocker does not file Tax returns that such Blocker is or may be subject to taxation by that jurisdiction.

(i) Such Blocker will not be required to include any item of income in, or to exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the applicable Blocker Effective Time as a result of any: (i) change in method of accounting or use of an improper method of accounting; (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of U.S. state, local, or non-U.S. income Tax law); (iii) intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or non- U.S. Tax law); (iv) installment sale or open transaction disposition made on or prior to the Effective Time; (v) prepaid amount received on or prior to the Effective Time; or (vi) election under Section 108(i) of the Code (or any corresponding or similar provision of state, local or non-U.S. Tax law) made or existing on or prior to the Effective Time.

(j) Since the 2012 taxable year, such Blocker has not (a) made, revoked or changed any material election for Tax purposes, (b) changed an annual accounting period for Tax purposes, (c) adopted or changed any accounting method for Tax purposes, (d) filed any amended Tax return, (e) entered into any closing agreement, (f) settled or compromised any material administrative or judicial Tax claim or assessment, (g) surrendered any claim for a refund of Taxes, or (h) consented to any extension or waiver of the limitation period applicable to any Tax claim or assessment or in respect of any material Taxes or any material Tax return.

(k) Such Blocker is not, as of the date hereof, a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code.

(l) No private letter rulings, technical advice memoranda or similar agreements or rulings relating to Taxes have been entered into or issued by a governmental entity with or in respect of such Blocker.

(m) Such Blocker is and has always been properly classified as a corporation for U.S. federal, state, and local income Tax purposes.

(n) Such Blocker has never (a) owned any assets other than direct or indirect interests in the Company, any reserves held in connection with its investment therein and any cash distributed to the holders of Blocker securities, (b) reported any item of income, loss, gain, deduction or credit other than those arising from a Schedule K-1 of the Company (or similar form for U.S. state and local income Tax purposes) and any related reinvestment of proceeds therefrom, (c) engaged in any business, operations or activities other than direct or indirect investments in the Company and reinvesting its earnings therefrom, or (d) had any liability for indebtedness owing to any person. Immediately before the applicable Blocker Effective Time, such Blocker directly owns its interest in the Company.

(o) Neither such Blocker nor such Blocker Holder has taken any action, or knows of any fact or circumstance that, in each case, could reasonably be expected to prevent the applicable Blocker Merger from qualifying as a reorganization under Section 368(a) of the Code or from qualifying as a transaction that, taken together with the other Blocker Mergers and the Merger, and the issuance of Parent Common Stock pursuant to the Private Placement Offering, qualifies as a transfer of property to Parent described in Section 351 of the Code. Such Blocker Holder has not entered, on or prior to the date of the applicable Blocker Effective Time, into any binding commitment to sell, transfer, or otherwise dispose of its Parent Common Stock.

5.9 Accredited Investor. Each Blocker Holder hereby represents that such Blocker Holder (i) is an "accredited investor" as defined under Rule 501 promulgated under the Securities Act; (ii) is acquiring the shares of Parent Common Stock solely for its own account for investment purposes, and not with a view to the distribution thereof in violation of any applicable securities laws; and (iii) is a sophisticated investor with knowledge and experience in business and financial matters such that such Blocker Holder is capable of evaluating this Agreement.

ARTICLE VI

CONDITIONS TO CONSUMMATION OF MERGER

6.1 Conditions to Each Party's Obligations. The respective obligations of each Party to consummate the Merger are subject to the satisfaction or waiver of the following conditions:

(a) the Company shall have obtained (and shall have provided copies thereof to the Parent) the written consents of (i) all of the members of its Board of Directors and (ii) Company Unitholders necessary to approve this Agreement, the Transaction Documents and the transactions contemplated hereby and thereby, including the consummation of the Merger in accordance with the Company's operating agreement and applicable law, in form and substance reasonably satisfactory to the Parent; and

(b) no legal proceeding instituted by a governmental authority shall be pending wherein an unfavorable judgment, order, decree, stipulation or injunction would (i) prevent consummation of any of the transactions contemplated by this Agreement or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, and no such judgment, order, decree, stipulation or injunction shall be in effect; and

(c) prior to the Closing, the Company and the Parent shall in the aggregate have at least $50 million in escrow in connection with the Private Placement Offering, and the conditions to the closing of such Private Placement Offering shall have been satisfied (other than the consummation of the Merger and the Blocker Mergers and those other conditions that, by their nature, will be satisfied at the Closing of the Private Placement Offering) and such amount of gross proceeds shall be unencumbered cash available to the Parent and the Surviving Company at the Effective Time (other than as expressly contemplated by this Agreement).

6.2 Conditions to Obligations of the Parent, each Blocker Mergersub and the Acquisition Subsidiary. The obligation of each of the Parent, each Blocker Mergersub and the Acquisition Subsidiary to consummate the Merger is subject to the satisfaction (or waiver by the Parent) of the following additional conditions:

(a) the Company and each Blocker and Blocker Holder shall have obtained (and shall have provided copies thereof to the Parent) all other waivers, permits, consents, approvals or other authorizations, and effected all of the registrations, filings and notices, referred to in Section 4.2 which are required on the part of the Company, except such waivers, permits, consents, approvals or other authorizations the failure of which to obtain or effect does not, individually or in the aggregate, have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(b) the representations and warranties of the Company, each Blocker and Blocker Holder set forth in this Agreement (when read without regard to any qualification as to materiality or Company Material Adverse Effect contained therein) shall be true and correct as of the date of this Agreement and shall be true and correct as of the Effective Time as though made as of the Effective Time (provided, however, that to the extent such representation and warranty expressly relates to an earlier date, such representation and warranty shall be true and correct as of such earlier date), except for any untrue or incorrect representations and warranties that, individually or in the aggregate, do not have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(c) the Company and each Blocker and Blocker Holder shall have performed or complied with its agreements and covenants required to be performed or complied with under this Agreement as of or prior to the Effective Time, except for such non-performance or non-compliance as does not have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(d) the Company shall have delivered to the Parent and the Acquisition Subsidiary a copy of each written consent received from a Company Unitholder consenting to the Merger, together with a certification from each such Company Unitholder that such person is either an "accredited investor" or not a "U.S. Person" as such terms are defined in Regulation D and Regulation S, respectively, under the Securities Act, provided the Company shall not be required to deliver such certification with respect to at most thirty-five (35) Company Unitholders;

(e) each Blocker shall have delivered to the Parent a copy of each written consent received from the applicable Blocker Holder consenting to the applicable Blocker Merger, together with a certification from each such Blocker Holder that such person is either an "accredited investor" or not a "U.S. Person" as such terms are defined in Regulation D and Regulation S, respectively, under the Securities Act, provided the Company shall not be required to deliver such certification with respect to at most thirty-five (35) Company Unitholders or Blocker Holders.

(f) the Company shall have delivered to the Parent and the Acquisition Subsidiary a certificate executed by the Chief Executive Officer of the Company to the effect that each of the conditions specified in clauses (a) through (c) of this Section 6.2 (insofar as each relates to the Company) has been satisfied in all respects;

(g) each Blocker and Blocker Holder shall have delivered to the Parent a certificate executed by an authorized officer of such Blocker and Blocker Holder, as applicable to the effect that each of the conditions specified in clauses (a) through (c) of this Section 6.2 (insofar as each related to such Blocker or Blocker Holder) has been satisfied in all respects;

(h) the Company and each Blocker shall have delivered to the Parent and the Acquisition Subsidiary a certificate executed by the Secretary of the Company or Blocker, as applicable, certifying as to (i) true, correct and complete copies of the organizational documents of the Company or Blocker, as applicable; (ii) the valid adoption of resolutions of the Board of Directors, other governing body, securityholders and members of the Company or Blocker, as applicable; and (iii) a good standing certificate of the Company from the Secretary of State of the State of Delaware dated within five (5) Business Days prior to the Closing Date;

(i) the Company shall have delivered to the Parent audited and interim unaudited financial statements of the Company pro forma in respect of the Merger, compliant with applicable SEC regulations for inclusion under Item 2.01 (f) and/or 5.01(a)(8) of Form 8-K in substantially final form;

(j) the Company shall have obtained and purchased the D&O Tail Policy and provided copies of the binders therefor to the Parent;

(k) the Company shall have delivered a certificate described in Temporary Treasury Regulations Section 1.1445-11T(d)(2)(i), dated no more than thirty (30) days prior to the Closing Date and signed by an authorized officer of the Company to certify on behalf of the Company, certifying that fifty percent or more of the value of the gross assets of the Company does not consist of U.S. real property interests, or that ninety percent or more of the value of the gross assets of the Company does not consist of U.S. real property interests plus cash or cash equivalents, as such terms are used in the relevant Temporary Treasury Regulations and related Treasury Regulations;

(l) each Blocker shall have delivered to Parent a statement validly executed by a duly authorized officer of such Blocker, that such Blocker is not, and has not been at any time during the five (5) years preceding the date of such statement, a "United States real property holding corporation", as defined in Section 897(c)(2) of the Code, such statement in form and substance reasonably satisfactory to Parent and conforming to the requirements of Treasury Regulations Section 1.1445-2(c)(3) and 1.897-2(h), and a notice of such statement shall be delivered by the Blocker to the Internal Revenue Service in accordance with the provisions of Treasury Regulations Section 1.897-2(h)(2); and

(m) the Company shall have delivered the Pre-Merger Indemnity Agreements to the Parent, duly executed by the Company.

6.3 Conditions to Obligations of the Company, each Blocker and each Blocker Holder. The obligation of the Company, each Blocker and each Blocker Holder to consummate the Merger and the Blocker Mergers is subject to the satisfaction (or waiver by the Company, such Blocker or Blocker Holder, as applicable) of the following additional conditions:

(a) the Parent shall have obtained (and shall have provided copies thereof to the Company and each Blocker Holder) the written consents of (i) all of the members of its Board of Directors, (ii) all of the members of the Board of Directors of Acquisition Subsidiary and each Blocker Mergersub, and (iii) the sole securityholder of Acquisition Subsidiary and each Blocker Mergersub, in each case to the execution, delivery and performance by each such entity of this Agreement and/or the other Transaction Documents to which each such entity is a party, in form and substance reasonably satisfactory to the Company;

(b) the Parent shall have obtained (and shall have provided copies thereof to the Company and each Blocker Holder) all of the other waivers, permits, consents, approvals or other authorizations, and effected all of the registrations, filings and notices, referred to in Section 4.2 which are required on the part of the Parent or any of its Subsidiaries, except for waivers, permits, consents, approvals or other authorizations the failure of which to obtain or effect does not, individually or in the aggregate, have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(c) the representations and warranties of the Parent set forth in this Agreement (when read without regard to any qualification as to materiality or Parent Material Adverse Effect contained therein) shall be true and correct as of the date of this Agreement and shall be true and correct as of the Effective Time as though made as of the Effective Time (provided, however, that to the extent such representation and warranty expressly relates to an earlier date, such representation and warranty shall be true and correct as of such earlier date), except for any untrue or incorrect representations and warranties that, individually or in the aggregate, do not have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(d) each of the Parent, each Blocker Mergersub and the Acquisition Subsidiary shall have performed or complied with its agreements and covenants required to be performed or complied with under this Agreement as of or prior to the applicable Blocker Effective Time or the Effective Time, as applicable, except for such non-performance or non-compliance as does not have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(e) the Board of Directors of the Parent and the stockholders of the Parent shall each have adopted the 2020 Plan (such stockholder approval subject to effectiveness in accordance with Regulation 14C of the Exchange Act);

(f) the Parent shall have delivered to the Company a certificate executed by the Chief Executive Officer or President of the Parent to the effect that each of the conditions specified in clauses (a) through (d) of this Section 6.3 has been satisfied in all respects;

(g) Each of the Parent, each Blocker Mergersub and Acquisition Subsidiary shall have delivered to the Company a certificate, validly executed by the Secretary of the Parent, each Blocker Mergersub and the Secretary of the Acquisition Subsidiary, as applicable, certifying as to (i) true, correct and complete copies of its organizational documents; (ii) the valid adoption of resolutions of the board of directors and stockholders of the Parent, each Blocker Mergersub or Acquisition Subsidiary, as applicable (whereby this Agreement, the applicable Blocker Merger or Merger and the transactions contemplated hereunder were unanimously approved by the board of directors and, if requested, the requisite vote of the stockholders of Parent, each Blocker Mergersub or the Acquisition Subsidiary, as applicable); (iii) a good standing certificate from the Secretary of State of the State of Delaware dated within five (5) Business Days prior to the Closing Date; (iv) incumbency and signatures of the officers of the Parent, each Blocker Mergersub or the Acquisition Subsidiary, as applicable, executing this Agreement or any other agreement contemplated by this Agreement; and (v) a true, correct and complete list of all stockholders of Parent as of immediately prior to the Effective Time and the shares of Parent Common Stock held by each such stockholder that are then-outstanding, which shares shall equal, in the aggregate, 1,000,000 shares of Parent Common Stock;

(h) the Forfeiture Letters executed by certain stockholders of the Parent concurrently with this Agreement shall be in full force and effect and shall not have been revoked, rescinded or otherwise repudiated by such stockholders of the Parent;

(i) the Parent shall have delivered to the Company (i) evidence that the Parent's Board of Directors is, as of the Effective Time, authorized to consist of five (5) individuals, (ii) evidence of the resignations of all individuals who served as directors and/or officers of the Parent as of immediately prior to the Effective Time, which resignations shall be effective as of the Effective Time, (iii) evidence of the appointment of the following five (5) persons to serve as directors immediately following the Effective Time: Thomas J. Schuetz, Phil Ferneau, Carl L. Gordon, Steven Squinto and Julie Sunderland, and (iv) evidence of the appointment of such executive officers of the Parent to serve immediately following the Effective Time as shall have been designated by the Company, including Thomas J. Schuetz as Chief Executive Officer and President and Vered Bisker-Leib as Chief Operating Officer;

(j) the Auditor Letter shall have been furnished to the Parent and the Parent shall have delivered a copy of such Auditor Letter to the Company, and the Parent Auditor shall have consented to the filing of the Auditor Letter in the Super 8-K;

(k) the Parent shall be in compliance in all material respects with all requirements of applicable securities laws, including, without limitation, the filing of reports required by the Exchange Act, and shall have taken all actions with respect thereto as shall be required or reasonably requested by the Company in connection therewith;

(l) the Parent shall have obtained and purchased the D&O Insurance and have provided copies of the binders therefor to the Company;

(m) the Parent shall have delivered to the Company the Payoff Letter duly executed by the Parent and the Debt Holder; and

(n) the Parent shall have delivered the Pre-Merger Indemnity Agreements to the Company, duly executed by the Parent and the Parent Indemnified Executives.

ARTICLE VII

DEFINITIONS

For purposes of this Agreement, each of the following defined terms is defined in the Section of this Agreement indicated below.

Definition	Section
2020 Plan	4.10
Acquisition Subsidiary	Introduction
Agreement	Introduction
Auditor Letter	4.12
Business Day	1.2
Certificate of Merger	1.1
Closing	1.2
Closing Date	1.2
Code	Recitals
Company	Introduction
Company Common Stock	1.5(A)
Company Confidential Information	4.4(B)
Company Disclosure Schedule	Article II
Company Material Adverse Effect	2.1
Defaulting Party	8.13
Effective Time	1.1
Environmental Law	3.21(D)
Exchange Act	1.13(B)
GAAP	2.7
Indemnified Executives	4.6(B)
Merger	Recitals
Merger Shares	1.5(A)
Non-Defaulting Party	8.13
Parent	Introduction
Parent Auditor	3.28
Parent Common Stock	Recitals
Parent Confidential Information	4.4(C)
Parent Disclosure Schedule	Article III
Parent Financial Statements	3.8
Parent Form 10	3.6
Parent Material Adverse Effect	3.1
Parent Previous Filings	3.6
Parent SEC Filings	3.6
Party	Introduction
Private Placement Offering	Recitals
Purchase Price	Recitals
Reasonable Best Efforts	4.1
SEC	1.13(A)
Securities Act	1.13(A)
Subsidiary	3.5
Super 8-K	4.3
Surviving Company	1.1
Tax Returns	1.14
Taxes	1.14
Transaction Documents	2.2

ARTICLE VIII

TERMINATION

8.1 Termination. Except as provided in Section 8.2, this Agreement may be terminated and the Merger and the Blocker Mergers may be abandoned at any time prior to the Closing only:

(a) by the mutual agreement of the Parties:

(b) by the Company or the Parent if the Closing Date shall not have occurred by the earlier of (i) five (5) business days after the date hereof or (ii) June 30, 2020 (the "End Date"); provided, however, that the right to terminate this Agreement under this Section 8.1(b) shall not be available to any Party whose action or failure to act has been a principal cause of or resulted in the failure of the Merger to occur on or before such date and such action or failure to act constitutes a breach of this Agreement;

(c) by the Company if (i) any law shall be in effect which has the effect of making the Merger or the Blocker Mergers illegal or otherwise prohibits or prevents the consummation of the Merger or the Blocker Mergers or (ii) if the consummation of the Merger or the Blocker Mergers would violate any final and non-appealable order;

(d) by the Company if it is not in material breach of its obligations under this Agreement and there has been a breach of or inaccuracy in any representation, warranty, covenant or agreement of the Parent contained in this Agreement such that the conditions set forth in Sections 6.3(c) and 6.3(d) would not be satisfied as of the time of such breach or inaccuracy and such breach or inaccuracy has not been cured within ten (10) calendar days after written notice thereof to the Parent; provided, however, that no cure period shall be required (i) for a breach or inaccuracy which by its nature cannot be cured or (ii) if any of the conditions to Closing in Section 6.3 for the benefit of the Company are incapable of being satisfied on or before the End Date; or

(e) by the Parent if it is not in material breach of its obligations under this Agreement and there has been a breach of or inaccuracy in any representation, warranty, covenant or agreement of the Company contained in this Agreement such that the conditions set forth in Sections 6.2(b) and 6.2(c) would not be satisfied as of the time of such breach or inaccuracy and such breach or inaccuracy has not been cured within ten (10) calendar days after written notice thereof to the Company; provided, however, that no cure period shall be required (i) for a breach or inaccuracy which by its nature cannot be cured or (ii) if any of the conditions to Closing in Section 6.2 for the benefit of the Parent are incapable of being satisfied on or before the End Date;.

8.2 Effect of Termination. In the event of the termination of this Agreement as provided in Section 8.1, this Agreement shall forthwith become void and there shall be no liability or obligation hereunder on the part of the Parent, the Acquisition Subsidiary, the Blocker Mergersubs, the Blockers, the Blocker Holders or the Company, or their respective representatives, as applicable; *provided*, *however*, that each party hereto shall remain liable for any willful breaches of this Agreement, or any certificate or other instruments delivered pursuant to this Agreement prior to its termination; and *provided further*, *however*, that, the provisions of Article 8 (Miscellaneous) and this Section 8.2 shall remain in full force and effect and survive any termination of this Agreement pursuant to the terms of this Article 8.

ARTICLE IX

MISCELLANEOUS

9.1 Press Releases and Announcements. No Party shall issue any press release or public announcement relating to the subject matter of this Agreement without the prior written approval of the other Parties; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable Law or stock market rules (in which case the disclosing Party shall use reasonable efforts to advise the other Parties and provide them with a copy of the proposed disclosure prior to making the disclosure).

9.2 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns; provided, however, that (a) the provisions in ARTICLE I concerning issuance of the Merger Shares is intended for the benefit of the Company Unitholders and (b) the provisions in Section 4.9 concerning indemnification are intended for the benefit of the Indemnified Executives and the Parent Indemnified Executives, respectively, and their respective successors and assigns.

9.3 Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior or (other than as set forth in the Transaction Documents) contemporaneous understandings, agreements or representations by or among the Parties, written or oral, with respect to the subject matter hereof.

9.4 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

9.5 Counterparts and Facsimile Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile signatures delivered by fax and/or e-mail/.pdf transmission shall be sufficient and binding as if they were originals and such delivery shall constitute valid delivery of this Agreement.

9.6 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

9.7 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly delivered four Business Days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one Business Day after it is sent for next Business Day delivery via a reputable nationwide overnight courier service, in each case to the intended recipient as set forth below:

If to the Company or the Company Unitholders:	Compass Therapeutics LLC 245 First Street, 3rd Floor Cambridge, MA 02142
Copy to (which copy shall not constitute notice hereunder):	Goodwin Procter LLP 100 Northern Avenue Boston, MA 02210 Attention: Jocelyn Arel and Dan Espinoza Email: [**]
If to the Parent or the Acquisition Subsidiary (prior to the Closing):	Olivia Ventures, Inc. 2255 Glades Road, Suite 324A Boca Raton, FL 33431 Attention: Ian Jacobs, President Email: [**]
Copy to (which copy shall not constitute notice hereunder):	Sichenzia Ross Ference LLP 1185 Avenue of the Americas New York, NY 10036 Attention: Barrett S. DiPaolo Facsimile: [**] E-mail: [**]
If to any Blocker or Blocker Holder:	To such physical or electronic address set forth on Schedule 1 hereto.

Any Party may give any notice, request, demand, claim or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the Party for whom it is intended. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

9.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdictions other than those of the State of Delaware.

9.9 Amendments and Waivers. The Parties may mutually amend any provision of this Agreement at any time prior to the Effective Time, provided that no such amendment shall be valid unless the same shall be in writing and signed by all of the Parties. No waiver of any right or remedy hereunder shall be valid unless the same shall be in writing and signed by the Party giving such waiver. No waiver by any Party with respect to any default, misrepresentation or breach of warranty or covenant hereunder shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

9.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified.

9.11 Submission to Jurisdiction. Each of the parties hereto irrevocably consents to the exclusive jurisdiction and venue of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein, agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such persons and irrevocably waives, to the fullest extent permitted by applicable Law, and covenants not to assert or plead any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Any Party may make service on another Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 9.7. Nothing in this Section 9.11, however, shall affect the right of any Party to serve legal process in any other manner permitted by law.

9.12 WAIVER OF JURY TRIAL. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BETWEEN THE PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

9.13 Remedies; Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof, and agree that in the event that any Party shall fail or refuse to consummate the transactions contemplated by this Agreement or if any default under or breach of any representation, warranty, covenant or condition of this Agreement on the part of any Party (the "**Defaulting Party**") shall have occurred that results in the failure to consummate the transactions contemplated by this Agreement, then in addition to the other remedies provided herein, the other Party or Parties (the "**Non-Defaulting Party**") shall be entitled to seek and obtain money damages from the Defaulting Party, and shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to an order of specific performance thereof against the Defaulting Party from a court of competent jurisdiction, in each case without the requirement of posting any other bond or other type of security. In addition, the Non-Defaulting Party shall be entitled to obtain from the Defaulting Party court costs and reasonable attorneys' fees incurred in connection with or in pursuit of enforcing the rights and remedies provided hereunder. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that any other party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity.

9.14 Survival. The representations or warranties in this Agreement and in any certificate delivered pursuant to this Agreement shall survive the Effective Time.

9.15 Construction.

(a) The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

(b) Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

9.16 Tax Matters.

(a) Each Blocker Holder severally, and not jointly, shall, from and after the applicable Blocker Effective Time, indemnify and hold harmless the Parent and its representatives, Affiliates, successors and assigns (each, a "Parent Indemnified Party" and, collectively, the "**Parent Indemnified Parties**") from, against and in respect of any and all Losses that a Parent Indemnified Party suffers, sustains or becomes subject to as a result of, arising out of or in connection with (i) any breach of the representations of such Blocker Holder and such Blocker Holder's Blocker(s) contained in Article V hereof, (ii) any and all Taxes (or the non-payment thereof) of such Blocker Holder's Blocker(s) (or for which such Blocker is liable) for all taxable periods ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes (but does not end on) the Closing Date (a "**Straddle Period**"); (iii) any and all Taxes of any member of an affiliated, consolidated, combined or unitary group of which such Blocker Holder's Blocker(s) (or any predecessor thereof) is or was a member on or prior to the applicable Blocker Effective Time, including pursuant to Section 1.1502-6 of the Treasury Regulations or any analogous or similar state, local, or foreign law or regulation; (iv) any and all Taxes of any person imposed on the Blocker as a transferee or successor; by contract, indemnification agreement, or otherwise; or pursuant to any law, rule, or regulation which Taxes relate to an event, agreement or transaction occurring before the applicable Blocker Effective Time; and (v) any withholding Taxes and any transfer, documentary, sales, use, stamp, registration, or other similar Taxes incurred in connection with the Blocker Merger. "**Loss**" or "**Losses**" means any loss, liability, demand, claim, cost, damage, deficiency, Tax, penalty, judgment, fine or expense (in equity, at law, including statutory and common, or otherwise) whenever arising or incurred, whether or not arising out of third-party claims (including interest, penalties, reasonable attorneys', accountants' and other professionals' fees and expenses, court costs and all reasonable amounts paid in investigation, defense or settlement of any of the foregoing).

(b) In the case of any Straddle Period or any other instance in which Taxes must be allocated under this Agreement, the amount of any Taxes of a Blocker allocable to the portion of the applicable Straddle Period ending at the end of the Closing Date (i) based on or measured by income, gains or receipts; sales; use; employment or withholding shall be determined based on an interim closing of the books as of the end of the Closing Date (and for such purposes the taxable period of the Company or any other pass-through entity in which such Blocker holds a beneficial interest shall be deemed to terminate as such time) and (ii) other than Taxes described in clause (i) shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending at the end of the Closing Date and the denominator of which is the number of days in such Straddle Period.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement and Plan of Merger and Reorganization as of the date first above written.

PARENT:
OLIVIA VENTURES, INC.

By: /s/ Ian Jacobs
Name: Ian Jacobs
Title: Chief Executive Officer

ACQUISITION SUBSIDIARY:
COMPASS ACQUISITION LLC

By: /s/ Ian Jacobs
Name: Ian Jacobs
Title: Chief Executive Officer

COMPANY:
COMPASS THERAPEUTICS LLC

By: /s/ Thomas Schuetz
Name: Thomas Schuetz
Title: CEO

BLOCKERS:
BIOMATICS – COMPASS, INC.

By: /s/ Julie Sunderland
Name: Julie Sunderland
Title: Managing Director

BLOCKERS:
ORBIMED PRIVATE INVESTMENTS V – KA (BLOCKER), INC.

By: /s/ Carl L. Gordon
Name: Carl L. Gordon
Title: President

BLOCKERS:
CHI II BLOCKER LLC

By: Cowen Healthcare Investments II GP LLC, its manager

By: /s/ Michael Benwitt
Name: Michael Benwitt
Title: General Counsel

BLOCKERS:
BBV INTERNATIONAL COMPASS, INC.

By: /s/ Rosalie Powell
Name: Rosalie Powell
Title: Secretary

BLOCKER HOLDERS:
BIOMATICS CAPITAL PARTNERS, L.P.

By: /s/ Julie Sunderland
Name: Julie Sunderland
Title: Managing Director

BLOCKER HOLDERS:
ORBIMED PRIVATE INVESTMENTS V – KA (FEEDER), LP

By: /s/ Carl L. Gordon
Name: Carl L. Gordon
Title: Member of the Managing Member of the General Partner

BLOCKER HOLDERS:
COWEN HEALTHCARE INVESTMENTS II LP

By: Cowen Healthcare Investments II GP LLC, its general partner

By: /s/ Michael Benwitt
Name: Michael Benwitt
Title: General Counsel

BLOCKER HOLDERS:
CHI EF II LP

By: Cowen Healthcare Investments II GP LLC, its general partner

By: /s/ Michael Benwitt
Name: Michael Benwitt
Title: General Counsel

BLOCKER HOLDERS:
EIGHT ROADS INVESTMENTS

By: /s/ Driaan Viljoen
Name: Driaan Viljoen
Title: Director

Exhibit A

Form of Amended and Restated Operating Agreement

Exhibit B

Form of Pre-Merger Indemnity Agreement

Exhibit C

Form of 2020 Equity Incentive Plan

DISCLOSURE SCHEDULE

to the

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION BY AND AMONG
OLIVIA VENTURES, INC.
COMPASS ACQUISITION LLC.
and
COMPASS THERAPEUTICS LLC
AND THE OTHER PARTIES THERETO

Dated as of June 17, 2020

[**]

Exhibit 3.1

STATE OF DELAWARE

CERTIFICATE OF MERGER

OF DOMESTIC LIMITED LIABILITY COMPANIES

Pursuant to Section 18-209 of the Delaware Limited Liability Company Act, the undersigned limited liability company executed the following Certificate of Merger:

1. The names of each of the constituent companies that are to merge are Compass Acquisition LLC, a Delaware limited liability company, and Compass Therapeutics LLC, a Delaware limited liability company (the "Company").

2. An Agreement and Plan of Merger and Reorganization ("Agreement of Merger") has been approved and executed by each of the constituent companies.

3. The Company will continue as the limited liability company surviving the merger (the "Surviving Company"), and the name of the Surviving Company shall be Compass Therapeutics LLC, a Delaware limited liability company.

4. The Certificate of Formation of the Surviving Company, as in effect immediately prior to the effective time of the merger, shall be the Certificate of Formation of the Surviving Company.

5. The merger is to become effective upon filing of this Certificate of Merger with the Secretary of State of the State of Delaware.

6. The Agreement of Merger is on file at 245 First Street, 3rd Floor, Cambridge, Massachusetts 02142, the place of business of the surviving company.

7. A copy of the Agreement of Merger will be furnished by the surviving company on request, without cost, to any member of the constituent companies.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the surviving company has caused this certificate to be signed by an authorized manager, the 17th of June, 2020.

COMPASS THERAPEUTICS LLC

By: /s/ Thomas Schuetz
Name: Thomas Schuetz
Title: Chief Executive Officer

Exhibit 3.2

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

COMPASS THERAPEUTICS, INC.
(f/k/a OLIVIA VENTURES, INC.)

Olivia Ventures, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. This corporation was originally incorporated pursuant to the General Corporation Law on March 20, 2018. Effective immediately upon the filing of this Amended and Restated Certificate of Incorporation (the "Certificate") with the Secretary of State of the State of Delaware, the name of the Corporation is "**Compass Therapeutics, Inc.**"

2. This Certificate amends, restates and integrates the provisions of the Certificate of Incorporation that was filed with the Secretary of State of the State of Delaware on March 20, 2018 (the "Original Certificate"), and was duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL").

3. The text of the Original Certificate is hereby amended and restated in its entirety to provide as herein set forth in full.

ARTICLE I

The name of the Corporation is Compass Therapeutics, Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 2140 South DuPont Highway, City of Camden, ZIP Code 19934, in the County of Kent. The name of its registered agent at such address is Paracorp Incorporated.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

CAPITAL STOCK

The total number of shares of capital stock which the Corporation shall have authority to issue is 310,000,000, of which (i) 300,000,000 shares shall be a class designated as common stock, par value $0.0001 per share (the "Common Stock"), and (ii) 10,000,000 shares shall be a class designated as undesignated preferred stock, par value $0.0001 per share (the "Undesignated Preferred Stock").

Except as otherwise provided in any certificate of designations of any series of Undesignated Preferred Stock, the number of authorized shares of the class of Common Stock or Undesignated Preferred Stock may from time to time be increased or decreased (but not below the number of shares of such class outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation irrespective of the provisions of Section 242(b)(2) of the DGCL.

The powers, preferences and rights of, and the qualifications, limitations and restrictions upon, each class or series of stock shall be determined in accordance with, or as set forth below in, this Article IV.

A. COMMON STOCK

Subject to all the rights, powers and preferences of the Undesignated Preferred Stock and except as provided by law or in this Certificate (or in any certificate of designations of any series of Undesignated Preferred Stock):

(a) the holders of the Common Stock shall have the exclusive right to vote for the election of directors of the Corporation (the "Directors") and on all other matters requiring stockholder action, each outstanding share entitling the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation for their vote; provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate (or on any amendment to a certificate of designations of any series of Undesignated Preferred Stock) that alters or changes the powers, preferences, rights or other terms of one or more outstanding series of Undesignated Preferred Stock if the holders of such affected series of Undesignated Preferred Stock are entitled to vote, either separately or together with the holders of one or more other such series, on such amendment pursuant to this Certificate (or pursuant to a certificate of designations of any series of Undesignated Preferred Stock) or pursuant to the DGCL;

(b) dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the Corporation legally available for the payment of dividends, but only when and as declared by the Board of Directors or any authorized committee thereof; and

(c) upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the net assets of the Corporation shall be distributed pro rata to the holders of the Common Stock.

B. UNDESIGNATED PREFERRED STOCK

The Board of Directors or any authorized committee thereof is expressly authorized, to the fullest extent permitted by law, to provide by resolution or resolutions for, out of the unissued shares of Undesignated Preferred Stock, the issuance of the shares of Undesignated Preferred Stock in one or more series of such stock, and by filing a certificate of designations pursuant to applicable law of the State of Delaware, to establish or change from time to time the number of shares of each such series, and to fix the designations, powers, including voting powers, full or limited, or no voting powers, preferences and the relative, participating, optional or other special rights of the shares of each series and any qualifications, limitations and restrictions thereof.

ARTICLE V

STOCKHOLDER ACTION

1. Action without Meeting. Any action required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders and may not be taken or effected by a written consent of stockholders in lieu thereof. Notwithstanding anything herein to the contrary, the affirmative vote of not less than two thirds (2/3) of the outstanding shares of capital stock entitled to vote thereon, and the affirmative vote of not less than two thirds (2/3) of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of this Article V, Section 1.

2. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may 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, and special meetings of stockholders may not be called by any other person or persons. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation.

ARTICLE VI

DIRECTORS

1. General. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided herein or required by law.

2. Election of Directors. Election of Directors need not be by written ballot unless the Amended and Restated Bylaws of the Corporation (the “Bylaws”) shall so provide.

3. Number of Directors; Term of Office. The number of Directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The Directors, other than those who may be elected by the holders of any series of Undesignated Preferred Stock, shall be classified, with respect to the term for which they severally hold office, into three classes. The Board of Directors shall assign Directors into classes at the time the classification becomes effective. The initial Class I Directors shall serve for a term expiring at the first annual meeting of stockholders to be held after the filing of this Certificate, the initial Class II Directors shall serve for a term expiring at the second annual meeting of stockholders to be held after the filing of this Certificate, and the initial Class III Directors shall serve for a term expiring at the third annual meeting of stockholders to be held after the filing of this Certificate. At each annual meeting of stockholders, Directors elected to succeed those Directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. Notwithstanding the foregoing, the Directors elected to each class shall hold office until their successors are duly elected and qualified or until their earlier resignation, death or removal.

Notwithstanding the foregoing, whenever, pursuant to the provisions of Article IV of this Certificate, the holders of any one or more series of Undesignated Preferred Stock shall have the right, voting separately as a series or together with holders of other such series, to elect Directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate and any certificate of designations applicable to such series.

Notwithstanding anything herein to the contrary, the affirmative vote of not less than two thirds (2/3) of the outstanding shares of capital stock entitled to vote thereon, and the affirmative vote of not less than two thirds (2/3) of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of this Article VI, Section 3.

4. Vacancies. Subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock to elect Directors and to fill vacancies in the Board of Directors relating thereto, any and all vacancies in the Board of Directors, however occurring, including, without limitation, by reason of an increase in the size of the Board of Directors, or the death, resignation, disqualification or removal of a Director, shall be filled solely and exclusively by the affirmative vote of a majority of the remaining Directors then in office, even if less than a quorum of the Board of Directors, and not by the stockholders. Any Director appointed in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director's successor shall have been duly elected and qualified or until his or her earlier resignation, death or removal. Subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock to elect Directors, when the number of Directors is increased or decreased, the Board of Directors shall, subject to Article VI, Section 3 hereof, determine the class or classes to which the increased or decreased number of Directors shall be apportioned; provided, however, that no decrease in the number of Directors shall shorten the term of any incumbent Director. In the event of a vacancy in the Board of Directors, the remaining Directors, except as otherwise provided by law, shall exercise the powers of the full Board of Directors until the vacancy is filled.

5. Removal. Subject to the rights, if any, of any series of Undesignated Preferred Stock to elect Directors and to remove any Director whom the holders of any such series have the right to elect, any Director (including persons elected by Directors to fill vacancies in the Board of Directors) may be removed from office (i) only with cause and (ii) only by the affirmative vote of the holders of not less than two thirds (2/3) of the outstanding shares of capital stock then entitled to vote at an election of Directors. At least forty-five (45) days prior to any annual or special meeting of stockholders at which it is proposed that any Director be removed from office, written notice of such proposed removal and the alleged grounds thereof shall be sent to the Director whose removal will be considered at the meeting.

ARTICLE VII

LIMITATION OF LIABILITY

A Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a Director, except for liability (a) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL or (d) for any transaction from which the Director derived an improper personal benefit. If the DGCL is amended after the effective date of this Certificate 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 DGCL, as so amended.

Any amendment, repeal or modification of this Article VII by either of (i) the stockholders of the Corporation or (ii) an amendment to the DGCL, shall not adversely affect any right or protection existing at the time of such amendment, repeal or modification with respect to any acts or omissions occurring before such amendment, repeal or modification of a person serving as a Director at the time of such amendment, repeal or modification.

Notwithstanding anything herein to the contrary, the affirmative vote of not less than two thirds (2/3) of the outstanding shares of capital stock entitled to vote thereon, and the affirmative vote of not less than two thirds (2/3) of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of this Article VII.

ARTICLE VIII

AMENDMENT OF BYLAWS

1. Amendment by Directors. Except as otherwise provided by law, the Bylaws of the Corporation may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the Directors then in office.

2. Amendment by Stockholders. Except as otherwise provided therein, the Bylaws of the Corporation may be amended or repealed at any annual meeting of stockholders, or special meeting of stockholders called for such purpose, by the affirmative vote of not less than two thirds (2/3) of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class.

ARTICLE IX

AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend or repeal this Certificate in the manner now or hereafter prescribed by statute and this Certificate, and all rights conferred upon stockholders herein are granted subject to this reservation. Except as otherwise required by this Certificate or by law, whenever any vote of the holders of capital stock of the Corporation is required to amend or repeal any provision of this Certificate, such amendment or repeal shall require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of the majority of the outstanding shares of each class entitled to vote thereon as a class, at a duly constituted meeting of stockholders called expressly for such purpose; provided, however, that the affirmative vote of not less than two thirds (2/3) of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of not less than two thirds (2/3) of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of Article V, Article VI, Article VII, Article VIII or Article IX of this Certificate.

[End of Text]

THIS AMENDED AND RESTATED CERTIFICATE OF INCORPORATION is executed as of this 17th day of June, 2020.

COMPASS THERAPEUTICS, INC.

By: /s/ Thomas Schuetz
Name: Thomas Schuetz
Title: Chief Executive Officer

Signature Page to Amended and Restated Certificate of Incorporation

Exhibit 3.3

AMENDED AND RESTATED

BYLAWS

OF

COMPASS THERAPEUTICS, INC.

(the "Corporation")

ARTICLE I

Stockholders

SECTION 1. Annual Meeting. The annual meeting of stockholders (any such meeting being referred to in these Bylaws as an "Annual Meeting") shall be held at the hour, date and place within or without the United States which is fixed by the Board of Directors, which time, date and place may subsequently be changed at any time by vote of the Board of Directors. If no Annual Meeting has been held for a period of thirteen (13) months after the Corporation's last Annual Meeting, a special meeting in lieu thereof may be held, and such special meeting shall have, for the purposes of these Bylaws or otherwise, all the force and effect of an Annual Meeting. Any and all references hereafter in these Bylaws to an Annual Meeting or Annual Meetings also shall be deemed to refer to any special meeting(s) in lieu thereof.

SECTION 2. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the stockholders may be brought before an Annual Meeting (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-law, who is entitled to vote at the meeting, who is present (in person or by proxy) at the meeting and who complies with the notice procedures set forth in this By-law as to such nomination or business. For the avoidance of doubt, the foregoing clause (ii) shall be the exclusive means for a stockholder to bring nominations or business properly before an Annual Meeting (other than matters properly brought under Rule 14a-8 (or any successor rule) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and such stockholder must comply with the notice and other procedures set forth in Article I, Section 2(a)(2) and (3) of this By-law to bring such nominations or business properly before an Annual Meeting. In addition to the other requirements set forth in this By-law, for any proposal of business to be considered at an Annual Meeting, it must be a proper subject for action by stockholders of the Corporation under Delaware law.

(2) For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (ii) of Article I, Section 2(a)(1) of this By-law, the stockholder must (i) have given Timely Notice (as defined below) thereof in writing to the Secretary of the Corporation, (ii) have provided any updates or supplements to such notice at the times and in the forms required by this By-law and (iii) together with the beneficial owner(s), if any, on whose behalf the nomination or business proposal is made, have acted in accordance with the representations set forth in the Solicitation Statement (as defined below) required by this By-law. To be timely, a stockholder's written notice shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the one-year anniversary of the preceding year's Annual Meeting; provided, however, that in the event the Annual Meeting is first convened more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no Annual Meeting were held in the preceding year, notice by the stockholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made (such notice within such time periods shall be referred to as "Timely Notice"). Notwithstanding anything to the contrary provided herein, for the first Annual Meeting following the initial public offering of common stock of the Corporation, a stockholder's notice shall be timely if received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such Annual Meeting is first made or sent by the Corporation. Such stockholder's Timely Notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director, (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class and number of shares of the Corporation that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (iv) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the Corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee, (v) a description of all arrangements or understandings between or among the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder or concerning the nominee's potential service on the Board of Directors, (vi) a written statement executed by the nominee acknowledging that as a director of the corporation, the nominee will owe fiduciary duties under Delaware law with respect to the Corporation and its stockholders, and (vii) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, the text, if any, of any resolutions or By-law amendment proposed for adoption, and any material interest in such business of each Proposing Person (as defined below);

(C) (i) the name and address of the stockholder giving the notice, as they appear on the Corporation's books, and the names and addresses of the other Proposing Persons (if any) and (ii) as to each Proposing Person, the following information: (a) the class or series and number of all shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such Proposing Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated under the Exchange Act), including any shares of any class or series of capital stock of the Corporation as to which such Proposing Person or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future, (b) all Synthetic Equity Interests (as defined below) in which such Proposing Person or any of its affiliates or associates, directly or indirectly, holds an interest including a description of the material terms of each such Synthetic Equity Interest, including without limitation, identification of the counterparty to each such Synthetic Equity Interest and disclosure, for each such Synthetic Equity Interest, as to (x) whether or not such Synthetic Equity Interest conveys any voting rights, directly or indirectly, in such shares to such Proposing Person, (y) whether or not such Synthetic Equity Interest is required to be, or is capable of being, settled through delivery of such shares and (z) whether or not such Proposing Person and/or, to the extent known, the counterparty to such Synthetic Equity Interest has entered into other transactions that hedge or mitigate the economic effect of such Synthetic Equity Interest, (c) any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to, directly or indirectly, vote any shares of any class or series of capital stock of the Corporation, (d) any rights to dividends or other distributions on the shares of any class or series of capital stock of the Corporation, directly or indirectly, owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, and (e) any performance-related fees (other than an asset based fee) that such Proposing Person, directly or indirectly, is entitled to based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation or any Synthetic Equity Interests (the disclosures to be made pursuant to the foregoing clauses (a) through (e) are referred to, collectively, as "Material Ownership Interests") and (iii) a description of the material terms of all agreements, arrangements or understandings (whether or not in writing) entered into by any Proposing Person or any of its affiliates or associates with any other person for the purpose of acquiring, holding, disposing or voting of any shares of any class or series of capital stock of the Corporation;

(D) (i) a description of all agreements, arrangements or understandings by and among any of the Proposing Persons, or by and among any Proposing Persons and any other person (including with any proposed nominee(s)), pertaining to the nomination(s), or other business proposed to be brought before the meeting of stockholders (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding), and (ii) identification of the names and addresses of other stockholders (including beneficial owners) known by any of the Proposing Persons to support such nominations or other business proposal(s), and to the extent known the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s); and

(E) a statement whether or not the stockholder giving the notice and/or the other Proposing Person(s), if any, will deliver a proxy statement and form of proxy to holders of, in the case of a business proposal, at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to approve the proposal or, in the case of a nomination or nominations, at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by such Proposing Person to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder (such statement, the "Solicitation Statement").

For purposes of this Article I of these Bylaws, the term "Proposing Person" shall mean the following persons: (i) the stockholder of record providing the notice of nominations or business proposed to be brought before a stockholders' meeting, and (ii) the beneficial owner(s), if different, on whose behalf the nominations or business proposed to be brought before a stockholders' meeting is made. For purposes of this Section 2 of Article I of these Bylaws, the term "Synthetic Equity Interest" shall mean any transaction, agreement or arrangement (or series of transactions, agreements or arrangements), including, without limitation, any derivative, swap, hedge, repurchase or so-called "stock borrowing" agreement or arrangement, the purpose or effect of which is to, directly or indirectly: (a) give a person or entity economic benefit and/or risk similar to ownership of shares of any class or series of capital stock of the Corporation, in whole or in part, including due to the fact that such transaction, agreement or arrangement provides, directly or indirectly, the opportunity to profit or avoid a loss from any increase or decrease in the value of any shares of any class or series of capital stock of the Corporation, (b) mitigate loss to, reduce the economic risk of or manage the risk of share price changes for, any person or entity with respect to any shares of any class or series of capital stock of the Corporation, (c) otherwise provide in any manner the opportunity to profit or avoid a loss from any decrease in the value of any shares of any class or series of capital stock of the Corporation, or (d) increase or decrease the voting power of any person or entity with respect to any shares of any class or series of capital stock of the Corporation.

(3) A stockholder providing Timely Notice of nominations or business proposed to be brought before an Annual Meeting shall further update and supplement such notice, if necessary, so that the information (including, without limitation, the Material Ownership Interests information) provided or required to be provided in such notice pursuant to this By-law shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to such Annual Meeting, and such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the fifth (5th) business day after the record date for the Annual Meeting (in the case of the update and supplement required to be made as of the record date), and not later than the close of business on the eighth (8th) business day prior to the date of the Annual Meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting).

(4) Notwithstanding anything in the second sentence of Article I, Section 2(a)(2) of this By-law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with the second sentence of Article I, Section 2(a)(2), a stockholder's notice required by this By-law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) General.

(1) Only such persons who are nominated in accordance with the provisions of this By-law shall be eligible for election and to serve as directors and only such business shall be conducted at an Annual Meeting as shall have been brought before the meeting in accordance with the provisions of this By-law or in accordance with Rule 14a-8 under the Exchange Act. The Board of Directors or a designated committee thereof shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the provisions of this By-law. If neither the Board of Directors nor such designated committee makes a determination as to whether any stockholder proposal or nomination was made in accordance with the provisions of this By-law, the presiding officer of the Annual Meeting shall have the power and duty to determine whether the stockholder proposal or nomination was made in accordance with the provisions of this By-law. If the Board of Directors or a designated committee thereof or the presiding officer, as applicable, determines that any stockholder proposal or nomination was not made in accordance with the provisions of this By-law, such proposal or nomination shall be disregarded and shall not be presented for action at the Annual Meeting.

(2) Except as otherwise required by law, nothing in this Article I, Section 2 shall obligate the Corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for director or any other matter of business submitted by a stockholder.

(3) Notwithstanding the foregoing provisions of this Article I, Section 2, if the nominating or proposing stockholder (or a qualified representative of the stockholder) does not appear at the Annual Meeting to present a nomination or any business, such nomination or business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Article I, Section 2, to be considered a qualified representative of the proposing stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, to the presiding officer at the meeting of stockholders.

(4) For purposes of this By-law, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(5) Notwithstanding the foregoing provisions of this By-law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-law. Nothing in this By-law shall be deemed to affect any rights of (i) stockholders to have proposals included in the Corporation’s proxy statement pursuant to Rule 14a-8 (or any successor rule), as applicable, under the Exchange Act and, to the extent required by such rule, have such proposals considered and voted on at an Annual Meeting or (ii) the holders of any series of Undesignated Preferred Stock to elect directors under specified circumstances.

SECTION 3. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may 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. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation. Nominations of persons for election to the Board of Directors of the Corporation and stockholder proposals of other business shall not be brought before a special meeting of stockholders to be considered by the stockholders unless such special meeting is held in lieu of an annual meeting of stockholders in accordance with Article I, Section 1 of these Bylaws, in which case such special meeting in lieu thereof shall be deemed an Annual Meeting for purposes of these Bylaws and the provisions of Article I, Section 2 of these Bylaws shall govern such special meeting.

SECTION 4. Notice of Meetings; Adjournments.

(a) A notice of each Annual Meeting stating the hour, date and place, if any, of such Annual Meeting and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given not less than ten (10) days nor more than sixty (60) days before the Annual Meeting, to each stockholder entitled to vote thereat by delivering such notice to such stockholder or by mailing it, postage prepaid, addressed to such stockholder at the address of such stockholder as it appears on the Corporation's stock transfer books. Without limiting the manner by which notice may otherwise be 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 ("DGCL").

(b) Unless otherwise required by the DGCL, notice of all special meetings of stockholders shall be given in the same manner as provided for Annual Meetings, except that the notice of all special meetings shall state the purpose or purposes for which the meeting has been called.

(c) Notice of an Annual Meeting or special meeting of stockholders need not be given to a stockholder if a waiver of notice is executed, or waiver of notice by electronic transmission is provided, before or after such meeting by such stockholder or if such stockholder attends such meeting, unless such attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

(d) The Board of Directors may postpone and reschedule any previously scheduled Annual Meeting or special meeting of stockholders and any record date with respect thereto, regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 2 of this Article I of these Bylaws or otherwise. In no event shall the public announcement of an adjournment, postponement or rescheduling of any previously scheduled meeting of stockholders commence a new time period for the giving of a stockholder's notice under this Article I of these Bylaws.

(e) When any meeting is convened, the presiding officer may adjourn the meeting if (i) no quorum is present for the transaction of business, (ii) the Board of Directors determines that adjournment is necessary or appropriate to enable the stockholders to consider fully information which the Board of Directors determines has not been made sufficiently or timely available to stockholders, or (iii) the Board of Directors determines that adjournment is otherwise in the best interests of the Corporation. When any Annual Meeting or special meeting of stockholders is adjourned to another hour, date or place, notice need not be given of the adjourned meeting other than an announcement at the meeting at which the adjournment is taken of the hour, date and place, if any, to which the meeting is adjourned 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; provided, however, that if the adjournment is for more than thirty (30) days from the meeting date, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting shall be given to each stockholder of record entitled to vote thereat and each stockholder who, by law or under the Certificate of Incorporation of the Corporation (as the same may hereafter be amended and/or restated, the "Certificate") or these Bylaws, is entitled to such notice.

SECTION 5. Quorum. A majority of the outstanding shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders. If less than a quorum is present at a meeting, the holders of voting stock representing a majority of the voting power present at the meeting or the presiding officer may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in Section 4 of this Article I. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 6. Voting and Proxies. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the stock ledger of the Corporation as of the record date, unless otherwise provided by law or by the Certificate. Stockholders may vote either (i) in person, (ii) by written proxy or (iii) by a transmission permitted by Section 212(c) of the DGCL. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission permitted by Section 212(c) of the DGCL may be substituted for or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. Proxies shall be filed in accordance with the procedures established for the meeting of stockholders. Except as otherwise limited therein or as otherwise provided by law, proxies authorizing a person to vote at a specific meeting shall entitle the persons authorized thereby to vote at any adjournment of such meeting, but they shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by or on behalf of any one of them unless at or prior to the exercise of the proxy the Corporation receives a specific written notice to the contrary from any one of them.

SECTION 7. Action at Meeting. When a quorum is present at any meeting of stockholders, any matter before any such meeting (other than an election of a director or directors) shall be decided by a majority of the votes properly cast for and against such matter, except where a larger vote is required by law, by the Certificate or by these Bylaws. Any election of directors by stockholders shall be determined by a plurality of the votes properly cast on the election of directors.

SECTION 8. Stockholder Lists. The Secretary or an Assistant Secretary (or the Corporation’s transfer agent or other person authorized by these Bylaws or by law) shall prepare and make, at least ten (10) days before every Annual Meeting or special meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for a period of at least ten (10) days prior to the meeting as provided in the manner, and subject to the terms, set forth in Section 219 of the DGCL (or any successor provision). The list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law.

SECTION 9. Presiding Officer. The Board of Directors shall designate a representative to preside over all Annual Meetings or special meetings of stockholders, provided that if the Board of Directors does not so designate such a presiding officer, then the Chairperson of the Board, if one is elected, shall preside over such meetings. If the Board of Directors does not so designate such a presiding officer and there is no Chairperson of the Board or the Chairperson of the Board is unable to so preside or is absent, then the Lead Director, if one is elected, shall preside over such meetings, provided further that if there is no Lead Director or the Lead director is unable to so preside or is absent, then the Chief Executive Officer, if one is elected, shall preside over such meetings, provided further that if there is no Chief Executive Officer or the Chief Executive Officer is unable to so preside or is absent, then the President shall preside over such meetings. The presiding officer at any Annual Meeting or special meeting of stockholders shall have the power, among other things, to adjourn such meeting at any time and from time to time, subject to Sections 4 and 5 of this Article I. The order of business and all other matters of procedure at any meeting of the stockholders shall be determined by the presiding officer.

SECTION 10. Inspectors of Elections. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer shall appoint one or more inspectors to act at the meeting. Any inspector may, but need not, be an officer, employee or agent of the Corporation. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall perform such duties as are required by the DGCL, including the counting of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. The presiding officer may review all determinations made by the inspectors, and in so doing the presiding officer shall be entitled to exercise his or her sole judgment and discretion and he or she shall not be bound by any determinations made by the inspectors. All determinations by the inspectors and, if applicable, the presiding officer, shall be subject to further review by any court of competent jurisdiction.

ARTICLE II

Directors

SECTION 1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided by the Certificate or required by law.

SECTION 2. Number and Terms. The number of directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The directors shall hold office in the manner provided in the Certificate.

SECTION 3. Qualification. No director need be a stockholder of the Corporation.

SECTION 4. Vacancies. Vacancies in the Board of Directors shall be filled in the manner provided in the Certificate.

SECTION 5. Removal. Directors may be removed from office only in the manner provided in the Certificate.

SECTION 6. Resignation. A director may resign at any time by electronic transmission or by giving written notice to the Chairperson of the Board, if one is elected, the Lead Director, if one is elected, the Chief Executive Officer, the President or the Secretary. A resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 7. Regular Meetings. The regular annual meeting of the Board of Directors shall be held, without notice other than this Section 7, on the same date as the Annual Meeting unless a different date is chosen by the Board of Directors. Other regular meetings of the Board of Directors may be held at such hour, date and place as the Board of Directors may by resolution from time to time determine and publicize by means of reasonable notice given to any director who is not present at the meeting at which such resolution is adopted.

SECTION 8. Special Meetings. Special meetings of the Board of Directors may be called, orally or in writing, by or at the request of a majority of the directors, the Chairperson of the Board, if one is elected, the Lead Director, if one is elected, the Chief Executive Officer, or the President. The person calling any such special meeting of the Board of Directors may fix the hour, date and place thereof.

SECTION 9. Notice of Meetings. Notice of the hour, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary or an Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the Chairperson of the Board, if one is elected, the Lead Director, if one is elected, the Chief Executive Officer, or the President or such other officer designated by the Chairperson of the Board, if one is elected, the Lead Director, if one is elected, the Chief Executive Officer, or the President. Notice of any special meeting of the Board of Directors shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communication, sent to his or her business or home address, at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to his or her business or home address, at least forty-eight (48) hours in advance of the meeting. Such notice shall be deemed to be delivered when hand-delivered to such address, read to such director by telephone, deposited in the mail so addressed, with postage thereon prepaid if mailed, dispatched or transmitted if sent by facsimile transmission or by electronic mail or other form of electronic communications. A written waiver of notice signed or electronically transmitted before or after a meeting by a director and filed with the records of the meeting shall be deemed to be equivalent to notice of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because such meeting is not lawfully called or convened. Except as otherwise required by law, by the Certificate or by these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 10. 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, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice. Any business which might have been transacted at the meeting as originally noticed may be transacted at such adjourned meeting at which a quorum is present. For purposes of this section, the total number of directors includes any unfilled vacancies on the Board of Directors.

SECTION 11. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of the directors present shall constitute action by the Board of Directors, unless otherwise required by law, by the Certificate or by these Bylaws.

SECTION 12. 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. Such consent shall be treated as a resolution of the Board of Directors for all purposes.

SECTION 13. Manner of Participation. 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 for purposes of these Bylaws.

SECTION 14. Presiding Director. The Board of Directors shall designate a representative to preside over all meetings of the Board of Directors, provided that if the Board of Directors does not so designate such a presiding director or such designated presiding director is unable to so preside or is absent, then the Chairperson of the Board, if one is elected, shall preside over all meetings of the Board of Directors. If both the designated presiding director, if one is so designated, and the Chairperson of the Board, if one is elected, are unable to preside or are absent, then the Lead Director, if one is elected, shall preside over all meetings of the Board of Directors. If the designated presiding director, if one is so designated, the Chairperson of the Board, if one is elected, and the Lead Director, if one is elected, are unable to preside or are absent, the Board of Directors shall designate an alternate representative to preside over a meeting of the Board of Directors.

SECTION 15. Committees. The Board of Directors, by vote of a majority of the directors then in office, may elect one or more committees, including, without limitation, a Compensation Committee, a Nominating & Corporate Governance Committee and an Audit Committee, and may delegate thereto some or all of its powers except those which by law, by the Certificate or by these Bylaws may not be delegated. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these Bylaws for the Board of Directors. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall report its action to the Board of Directors.

SECTION 16. Compensation of Directors. Directors shall receive such compensation for their services as shall be determined by a majority of the Board of Directors, or a designated committee thereof, provided that directors who are serving the Corporation as employees and who receive compensation for their services as such, shall not receive any salary or other compensation for their services as directors of the Corporation.

ARTICLE III

Officers

SECTION 1. Enumeration. The officers of the Corporation shall consist of a President, a Treasurer, a Secretary and such other officers, including, without limitation, a Chairperson of the Board of Directors, a Lead Director, 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.

SECTION 2. Election. At the regular annual meeting of the Board of Directors following the Annual Meeting, the Board of Directors shall elect the Chief Executive Officer, President, the Treasurer and the Secretary. Other officers may be elected by the Board of Directors at such regular annual meeting of the Board of Directors or at any other regular or special meeting.

SECTION 3. Qualification. No officer need be a stockholder or a director. Any person may occupy more than one office of the Corporation at any time.

SECTION 4. Tenure. Except as otherwise provided by the Certificate or by these Bylaws, each of the officers of the Corporation shall hold office until the regular annual meeting of the Board of Directors following the next Annual Meeting and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

SECTION 5. Resignation. Any officer may resign by delivering his or her written or electronically transmitted resignation to the Corporation addressed to the Chief Executive Officer, President or the Secretary, and such resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 6. Removal. Except as otherwise provided by law or by resolution of the Board of Directors, the Board of Directors may remove any officer with or without cause by the affirmative vote of a majority of the directors then in office.

SECTION 7. Absence or Disability. In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

SECTION 8. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

SECTION 9. President. The President shall, subject to the direction of the Board of Directors, have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 10. Chairperson of the Board. The Chairperson of the Board, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 11. Lead Director. The Lead Director, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 12. 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.

SECTION 13. 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 or the Chief Executive Officer may from time to time designate.

SECTION 14. Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors and except as the Board of Directors or the Chief Executive Officer may otherwise provide, 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. He or she shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 15. Secretary and Assistant Secretaries. The Secretary shall record all the proceedings of the meetings of the stockholders and the Board of Directors (including committees of the Board of Directors) in books kept for that purpose. In his or her absence from any such meeting, 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). The Secretary shall have custody of the seal of the Corporation, and the Secretary, or an Assistant Secretary shall have authority to affix it to any instrument requiring it, and, when so affixed, the seal may be attested by his or her signature or that of an Assistant Secretary. The Secretary shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Secretary, any Assistant Secretary may perform his or her duties and responsibilities. Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 16. Other Powers and Duties. Subject to these Bylaws and to such limitations as the Board of Directors may from time to time prescribe, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors or the Chief Executive Officer.

ARTICLE IV

Capital Stock

SECTION 1. 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 any two authorized officers of the Corporation. The Corporation seal and the signatures by the Corporation's officers, the transfer agent or the registrar may be facsimiles. 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 he or she 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. Notwithstanding anything to the contrary provided in these Bylaws, the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares (except that the foregoing shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation), and by the approval and adoption of these Bylaws the Board of Directors has determined that all classes or series of the Corporation's stock may be uncertificated, whether upon original issuance, re-issuance, or subsequent transfer.

SECTION 2. Transfers. Subject to any restrictions on transfer and unless otherwise provided by the Board of Directors, shares of stock that are represented by a certificate may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate theretofore 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. Shares of stock that are not represented by a certificate may be transferred on the books of the Corporation by submitting to the Corporation or its transfer agent such evidence of transfer and following such other procedures as the Corporation or its transfer agent may require.

SECTION 3. Record Holders. Except as may otherwise be required by law, by the Certificate or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect 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 Bylaws.

SECTION 4. 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 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 a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (a) in the case of determination of stockholders entitled to vote at any meeting of stockholders, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting and (b) in the case of any other action, shall not be more than sixty (60) days prior to such other action. 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; and (ii) 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.

SECTION 5. Replacement of Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock of the Corporation, a duplicate certificate may be issued in place thereof, upon such terms as the Board of Directors may prescribe.

ARTICLE V

Indemnification

SECTION 1. Definitions. For purposes of this Article:

(a) “Corporate Status” describes the status of a person who is serving or has served (i) as a Director of the Corporation, (ii) as an Officer of the Corporation, (iii) as a Non-Officer Employee of the Corporation, or (iv) 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 which such person is or was serving at the request of the Corporation. For purposes of this Section 1(a), 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;

(b) “Director” means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(c) “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;

(d) “Expenses” means all 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;

(e) “Liabilities” means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;

(f) “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;

(g) “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;

(h) “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, arbitrative or investigative; and

(i) “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) fifty percent (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) fifty percent (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.

SECTION 2. Indemnification of Directors and Officers.

(a) Subject to the operation of Section 4 of this Article V of these Bylaws, 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 this Section 2.

(1) 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.

(2) 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 2(a)(2) 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.

(3) Survival of Rights. The rights of indemnification provided by this Section 2 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.

(4) 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 Bylaws in accordance with the provisions set forth herein.

SECTION 3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article V of these Bylaws, 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 3 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.

SECTION 4. Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Article V 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 (a) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (b) 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), (c) 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 (d) by the stockholders of the Corporation.

SECTION 5. Advancement of Expenses to Directors Prior to Final Disposition.

(a) 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 (i) authorized by the Board of Directors of the Corporation, or (ii) brought to enforce such Director's rights to indemnification or advancement of Expenses under these Bylaws.

(b) 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 Article V 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.

(c) 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.

SECTION 6. Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(a) 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.

(b) 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.

SECTION 7. Contractual Nature of Rights.

(a) The provisions of this Article V 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 Article V 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 Article V nor the adoption of any provision of the Certificate of Incorporation inconsistent with this Article V shall eliminate or reduce any right conferred by this Article V 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 Article V 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 distributes of such person.

(b) 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 Article V 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.

(c) 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.

SECTION 8. Non-Exclusivity of Rights. The rights to indemnification and to advancement of Expenses set forth in this Article V 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 Bylaws, agreement, vote of stockholders or Disinterested Directors or otherwise.

SECTION 9. 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 Article V.

SECTION 10. Other Indemnification. The Corporation's obligation, if any, to indemnify or provide advancement of Expenses to any person under this Article V 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 Article V 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.

ARTICLE VI

Miscellaneous Provisions

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

SECTION 2. Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

SECTION 3. Execution of Instruments. 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 the Chairperson of the Board, if one is elected, the Lead Director, if one is elected, the Chief Executive Officer, the President or the Treasurer or any other officer, employee or agent of the Corporation as the Board of Directors or the executive committee of the Board may authorize.

SECTION 4. Voting of Securities. Unless the Board of Directors otherwise provides, the Chairperson of the Board, if one is elected, the Lead Director, if one is elected, the Chief Executive Officer, the President or the Treasurer may waive notice of and act on behalf of the Corporation (including with regard to voting and actions by written consent), or appoint another person or persons to act as proxy or attorney in fact for the 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 the Corporation.

SECTION 5. 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.

SECTION 6. Corporate Records. The original or attested copies of the Certificate, Bylaws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock transfer books, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, may be kept outside the State of Delaware and shall be kept at the principal office of the Corporation, at an office of its counsel, at an office of its transfer agent or at such other place or places as may be designated from time to time by the Board of Directors.

SECTION 7. Certificate. All references in these Bylaws to the Certificate shall be deemed to refer to the Amended and Restated Certificate of Incorporation of the Corporation, as amended and/or restated and in effect from time to time.

SECTION 8. Exclusive Jurisdiction. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for state law claims for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Certificate or Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of the Certificate or Bylaws, or (v) any action asserting a claim against the Corporation governed by the internal affairs doctrine (the "Delaware Forum Provision"). The Delaware Forum Provision shall not apply to any claims arising under the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act"). In addition, unless the Corporation consents 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 action asserting a claim arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.

SECTION 9. Amendment of Bylaws.

(a) Amendment by Directors. Except as provided otherwise by law, these Bylaws may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the directors then in office.

(b) Amendment by Stockholders. Except as otherwise required by these Bylaws or by law, these Bylaws may be amended or repealed at any Annual Meeting, or special meeting of stockholders called for such purpose in accordance with these Bylaws, by the affirmative vote of not less than two thirds (2/3) of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class. Notwithstanding the foregoing, stockholder approval shall not be required unless mandated by the Certificate, these Bylaws, or other applicable law.

SECTION 10. Notices. If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

SECTION 11. Waivers. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in such a waiver.

Adopted June 17, 2020.

Exhibit 10.1

COMPASS THERAPEUTICS, INC.

2020 STOCK OPTION AND INCENTIVE PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Compass Therapeutics, Inc. 2020 Stock Option and Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of Compass Therapeutics, Inc. (the "Company") and its Affiliates 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. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Administrator" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"*Affiliate*" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Act. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

"Award" or *"Awards,"* except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Units, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights.

"*Award Certificate*" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Cash-Based Award*" means an Award entitling the recipient to receive a cash-denominated payment.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Consultant*" means a consultant or adviser who provides *bona fide* services to the Company or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Act.

"*Dividend Equivalent Right*" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

"*Effective Date*" means the date on which the Plan becomes effective as set forth in Section 19.

"*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 Administrator; provided, however, that if the Stock is listed on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Global Market, The New York Stock Exchange or another national securities exchange or traded on any established market, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

"*Incentive Stock Option*" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"*Non-Employee Director*" means a member of the Board who is not also an employee of the Company or any Subsidiary.

"*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.

"*Restricted Shares*" means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company's right of repurchase.

"*Restricted Stock Award*" means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Restricted Stock Units*" means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Sale Event*" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

"*Sale Price*" means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

"*Section 409A*" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"*Service Relationship*" means any relationship as an employee, director or Consultant of the Company or any Affiliate (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).

"*Stock*" means the Common Stock, par value $0.0001 per share, of the Company, subject to adjustments pursuant to Section 3.

"*Stock Appreciation Right*" means an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

"*Subsidiary*" means any corporation or other entity (other than the Company) in which the Company has at least 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 or subsidiary corporation.

"*Unrestricted Stock Award*" means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator 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 extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and 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 forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) subject to the provisions of Section 5(c), to extend at any time the period in which Stock Options may be exercised; and

(vii) 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 related written instruments); 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 Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to a committee consisting of one or more officers of the Company including the Chief Executive Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not members of the delegated committee. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, 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 Administrator (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 articles 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.

(f) 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 its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals 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 Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 2,930,836 shares (the "Initial Limit"), subject to adjustment as provided in this Section 3, plus on January 1, 2021 and each January 1 thereafter, the number of shares of Stock reserved and available for issuance under the Plan shall be cumulatively increased by the lesser of 4 percent of the number of shares of Stock issued and outstanding on the immediately preceding December 31 or such number of shares of Stock as determined by the Administrator no later than the immediately preceding December 31(the "Annual Increase"). Subject to such overall limitation, the maximum aggregate number of shares of Stock 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 2,930,836 shares of Stock, subject in all cases to adjustment as provided in this Section 3. For purposes of this limitation, the shares of Stock underlying any awards under the Plan that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan and, to the extent permitted under Section 422 of the Code and the regulations promulgated thereunder, the shares of Stock that may be issued as Incentive Stock Options. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(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 of Stock 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 of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (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 Restricted Stock Award, and (iv) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of shares subject to Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(c) Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case, except as may be otherwise provided in the relevant Award Certificate, all Options and Stock Appreciation Rights with time-based vesting conditions or restrictions that are not vested and/or exercisable immediately prior to the effective time of the Sale Event shall become fully vested and exercisable as of the effective time of the Sale Event, all other 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, (i) the Company shall have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights (provided that, in the case of an Option or Stock Appreciation Right with an exercise price equal to or greater than the Sale Price, such Option or Stock Appreciation Right shall be cancelled for no consideration); or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights (to the extent then exercisable) held by such grantee. The Company shall also have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding other Awards in an amount equal to the Sale Price multiplied by the number of vested shares of Stock under such Awards.

(d) Maximum Awards to Non-Employee Directors. Notwithstanding anything to the contrary in this Plan, the value of all Awards awarded under this Plan and all other cash compensation paid by the Company to any Non-Employee Director in any calendar year shall not exceed $500,000. For the purpose of this limitation, the value of any Award shall be its grant date fair value, as determined in accordance with ASC 718 or successor provision but excluding the impact of estimated forfeitures related to service-based vesting provisions.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such employees, Non-Employee Directors or Consultants of the Company and its Affiliates as are selected from time to time by the Administrator in its sole discretion; provided that Awards may not be granted to employees, Directors or Consultants who are providing services only to any "parent" of the Company, as such term is defined in Rule 405 of the Act, unless (i) the stock underlying the Awards is treated as "service recipient stock" under Section 409A or (ii) the Company has determined that such Awards are exempt from or otherwise comply with Section 409A.

SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

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.

Stock Options granted pursuant to this Section 5 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 Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date. Notwithstanding the foregoing, Stock Options may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) to individuals who are not subject to U.S. income tax on the date of grant or (iii) the Stock Option is otherwise compliant with Section 409A.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. 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 date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any 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.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by 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 except to the extent otherwise provided in the Award Certificate:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) 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 Company shall prescribe as a condition of such payment procedure; or

(iv) 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 of Stock 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. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his 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 Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) 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 time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

(b) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Stock Appreciation Right may not exceed ten years. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Stock Award is tied to the attainment of performance goals, any dividends paid by the Company during the performance period shall accrue and shall not be paid to the grantee until and to the extent the performance goals are met with respect to the Restricted Stock Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, if a grantee's employment (or other Service Relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other Service Relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock (or cash, to the extent explicitly provided for in the Award Certificate) upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock. Restricted Stock Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions 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 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified performance goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

SECTION 11. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Stock Units shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 12(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 12(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Stock Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, 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. In no event may an Award be transferred by a grantee for value.

(c) Family Member. For purposes of Section 12(b), "family member" shall mean a grantee'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 grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award 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 Administrator and shall not be effective until received by the Administrator. 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.

SECTION 13. 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 Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator 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 its Subsidiaries 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 evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Administrator may require the Company's tax withholding obligation to be satisfied, in whole or in part, by the Company withholding from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due; provided, however, that the amount withheld does not exceed the maximum statutory tax rate or such lesser amount as is necessary to avoid liability accounting treatment. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includible in income of the grantees. The Administrator may also require the Company's tax withholding obligation to be satisfied, in whole or in part, by an arrangement whereby a certain number of shares of Stock issued pursuant to any Award are immediately sold and proceeds from such sale are remitted to the Company in an amount that would satisfy the withholding amount due.

SECTION 14. SECTION 409A AWARDS

Awards are intended to be exempt from Section 409A to the greatest extent possible and to otherwise comply with Section 409A. The Plan and all Awards shall be interpreted in accordance with such intent. 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 specified by the Administrator from time to time in order to comply with Section 409A. 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 then 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. Further, the settlement of any 409A Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 15. TERMINATION OF SERVICE RELATIONSHIP, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Service Relationship. If the grantee's Service Relationship is with an Affiliate and such Affiliate ceases to be an Affiliate, the grantee shall be deemed to have terminated his or her Service Relationship for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of a Service Relationship:

(i) a transfer to the employment of the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee'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 Administrator otherwise so provides in writing.

SECTION 16. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator 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 materially and adversely affect rights under any outstanding Award without the holder's consent. The Administrator is specifically authorized to exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect the repricing of such Awards through cancellation and re-grants. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, Plan amendments shall be subject to approval by Company stockholders. Nothing in this Section 16 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(b) or 3(c).

SECTION 17. 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 Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 18. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock 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.

(b) Issuance of Stock. To the extent certificated, stock certificates to grantees under this 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. 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). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any evidence of book entry or certificates evidencing shares of Stock pursuant to the exercise or settlement of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. Any Stock issued pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate or notations on any book entry to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 18(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

SECTION 19. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon stockholder approval in accordance with applicable state law, the Company's bylaws and articles of incorporation, and applicable stock exchange rules No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 20. GOVERNING LAW

This Plan and all Awards and actions taken thereunder 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, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS: June 17, 2020

DATE APPROVED BY STOCKHOLDERS: June 17, 2020

Exhibit 10.2

COMPASS THERAPEUTICS, INC.

SENIOR EXECUTIVE CASH INCENTIVE BONUS PLAN

1. Purpose

This Senior Executive Cash Incentive Bonus Plan (the "Incentive Plan") is intended to provide an incentive for superior work and to motivate eligible executives of Compass Therapeutics, Inc. (the "Company") and its subsidiaries toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives. The Incentive Plan is for the benefit of Covered Executives (as defined below).

2. Covered Executives

From time to time, the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee") may select certain key executives (the "Covered Executives") to be eligible to receive bonuses hereunder. Participation in the Incentive Plan does not change the "at will" nature of a Covered Executive's employment with the Company.

3. Administration

The Compensation Committee shall have the sole discretion and authority to administer and interpret the Incentive Plan.

4. Bonus Determinations

(a) Corporate Performance Goals. A Covered Executive may receive a bonus payment under the Incentive Plan based upon the attainment of one or more performance objectives that are established by the Compensation Committee and relate to financial and operational metrics with respect to the Company or any of its subsidiaries (the "Corporate Performance Goals"), including without limitation the following: developmental, publication, clinical or regulatory milestones and results; cash flow (including, but not limited to, operating cash flow and free cash flow); 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, licenses or strategic transactions; financing or other capital raising transactions; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; total shareholder return; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; bookings, new bookings or renewals; sales or market shares; number of prescriptions or prescribing physicians; coverage decisions; leadership development, employee retention, and recruiting and other human resources matters; operating income and/or net annual recurring revenue, any of which may be (A) measured in absolute terms or compared to any incremental increase, (B) measured in terms of growth, (C) compared to another company or companies or to results of a peer group, (D) measured against the market as a whole and/or as compared to applicable market indices and/or (E) measured on a pre-tax or post-tax basis (if applicable). Further, any Corporate Performance Goals may be used to measure the performance of the Company as a whole or a business unit or other segment of the Company, or one or more product lines or specific markets. The Corporate Performance Goals may differ from Covered Executive to Covered Executive.

(b) Calculation of Corporate Performance Goals. At the beginning of each applicable performance period, the Compensation Committee will determine whether any significant element(s) will be included in or excluded from the calculation of any Corporate Performance Goal with respect to any Covered Executive. In all other respects, Corporate Performance Goals will be calculated in accordance with the Company's financial statements, generally accepted accounting principles, or under a methodology established by the Compensation Committee at the beginning of the performance period and which is consistently applied with respect to a Corporate Performance Goal in the relevant performance period.

(c) Target; Minimum; Maximum. Each Corporate Performance Goal shall have a "target" (i.e., 100 percent attainment of the Corporate Performance Goal) and may also have a "minimum" hurdle and/or a "maximum" amount.

(d) Bonus Requirements; Individual Goals. Except as otherwise set forth in this Section 4(d): (i) any bonuses paid to Covered Executives under the Incentive Plan shall be based upon objectively determinable bonus formulas that tie such bonuses to one or more performance targets relating to the Corporate Performance Goals, (ii) bonus formulas for Covered Executives shall be adopted in each performance period by the Compensation Committee and communicated to each Covered Executive at the beginning of each performance period and (iii) no bonuses shall be paid to Covered Executives unless and until the Compensation Committee makes a determination with respect to the attainment of the performance targets relating to the Corporate Performance Goals. Notwithstanding the foregoing, the Compensation Committee may adjust bonuses payable under the Incentive Plan based on achievement of one or more individual performance objectives or pay bonuses (including, without limitation, discretionary bonuses) to Covered Executives under the Incentive Plan based on individual performance goals and/or upon such other terms and conditions as the Compensation Committee may in its discretion determine.

(e) Individual Target Bonuses. The Compensation Committee shall establish a target bonus opportunity for each Covered Executive for each performance period. For each Covered Executive, the Compensation Committee shall have the authority to apportion the target award so that a portion of the target award shall be tied to attainment of Corporate Performance Goals and a portion of the target award shall be tied to attainment of individual performance objectives.

(f) Employment Requirement. Subject to any additional terms contained in a written agreement between the Covered Executive and the Company, the payment of a bonus to a Covered Executive with respect to a performance period shall be conditioned upon the Covered Executive's employment by the Company on the bonus payment date. If a Covered Executive was not employed for an entire performance period, the Compensation Committee may pro rate the bonus based on the number of days employed during such period.

5. Timing of Payment

(a) With respect to Corporate Performance Goals established and measured on a basis more frequently than annually (e.g., quarterly or semi-annually), the Corporate Performance Goals will be measured at the end of each performance period after the Company's financial reports with respect to such period(s) have been published. If the Corporate Performance Goals and/or individual goals for such period are met, payments will be made as soon as practicable following the end of such period, but not later 74 days after the end of the fiscal year in which such performance period ends.

(b) With respect to Corporate Performance Goals established and measured on an annual or multi-year basis, Corporate Performance Goals will be measured as of the end of each such performance period (e.g., the end of each fiscal year) after the Company's financial reports with respect to such period(s) have been published. If the Corporate Performance Goals and/or individual goals for any such period are met, bonus payments will be made as soon as practicable, but not later than 74 days after the end of the relevant fiscal year.

(c) For the avoidance of doubt, bonuses earned at any time in a fiscal year must be paid no later than 74 days after the last day of such fiscal year.

6. Amendment and Termination

The Company reserves the right to amend or terminate the Incentive Plan at any time in its sole discretion.

Date Approved: June 17, 2020

CONFIDENTIAL

CONFIDENTIAL OFFER LETTER FOR
VERED BISKER-LEIB

November 28, 2017

Dear Vered:

We are very pleased to offer you full time, permanent employment with Compass Therapeutics LLC ("Compass") as Chief Business Officer (CBO), under the following terms. You will report directly to Co-founder and Chief Executive Officer, Thomas Schuetz. Your responsibilities will include oversight of all Business Development actitivites.

Start Date: Your start date will be December 1, 2017 or a date mutually agreed upon by you and Compass, including earlier if existing arrangements allow.

Base Salary: Your base salary will be equivalent to $325,000.00 annually which will be paid in semi-monthly installments of $13,541.66. You are also eligible for a target bonus opportunity of 33% based on achievement of company and individual goals. Bonus payments will be made in March following the completion of the performance year and you must be employed at Compass Therapeutics LLC at the time of payment. All payments will be subject to deductions for taxes and other withholdings as required by law or the policies of the company.

Profits Interests: Upon starting your employment, you will be granted 1,500,000 profits interest Common Units in Compass. 25% of these shares will vest on the first anniversary of your employment and the remaining shares will vest monthly over the following 36 months (months 13-48) at a rate of 1/36 per month. Upon completion of a board-approved "first major deal," you will be granted 500,000 additional profits interest Common Units. The vesting schedule will be the same: 25% of these shares will vest on the first anniversary of the deal and the remaining shares will vest monthly over the following 36 months (months 13-48) at a rate of 1/36 per month.

401(k): You are eligible to participate in Compass's Traditional 401(k) or Roth 401(k) programs which do not presently include a company match. The company, may at times, and with Board of Directors approval, make a discretionary contribution into the 401(k) program.

Time Off: Compass allows employees to take time off as needed, with manager approval. For the remainder of 2017, Compass will be closed from December 23th-January 1st, 2018.

Benefits: Compass offers health, dental, vision and life insurance. You are eligible for Compass' standard medical coverage as defined in the Compass Therapeutics Explanation of Healthcare Benefits. Compass subsidizes a significant portion of premiums, deductibles, and out-of-pocket maximums. As of the date hereof, Compass subsidizes 90% in premiums, deductibles and out-of-pocket maximums associated with medical coverage and 90% of premiums for dental and vision coverage.

Compass also offers commuter and cell phone reimbursement programs in addition to enrollment in a Flexible Spending Account (FSA), which allows you to put aside pre-tax income for unreimbursed medical, dental, vision and dependent care expenses.

As is true for all Compass employees, your employment with Compass will be "at will", meaning that either you or Compass may terminate your employment at any time for any reason.

CONFIDENTIAL

This offer of employment is contingent on a background check and your signing of Compass' employee confidentiality, non-compete and non-solicitation agreement. You will also be required to submit documentation that establishes your identity and employment eligibility in accordance with the US Immigration and Naturalization requirements. If there are any other agreements of any type that you are aware of which may impact or limit your ability to perform your job at Compass, please let us know as soon as possible.

If you would like to accept this offer please sign and return the letter and the enclosed agreement by the end of day on December 1,2017 to sara.mannle@compasstherapeutics.com

We look forward to having you as part of the Compass team.

Sincerely,

/s/ Thomas Schuetz

Thomas Schuetz, MD, PhD
Co-founder and Chief Executive Officer

AGREED TO:

/s/ Vered Bisker-Leib
Vered Bisker-Leib

November 28th, 2017
Date

Exhibit 10.4

COMPASS THERAPEUTICS, INC.

FORM OF DIRECTOR INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of [Date] by and between Compass Therapeutics, Inc., a Delaware corporation (the "Company"), and [Director] ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Amended and Restated Certificate of Incorporation (as amended and in effect from time to time, the "Charter") and the Amended and Restated Bylaws (as amended and in effect from time to time, the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Charter, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

[WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by [●] (the "Secondary Indemnitor") which Indemnitee and [●] intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided in this Agreement, with the Company's acknowledgment and agreement to the foregoing being a material condition to Indemnitee's willingness to serve or continue to serve on the Board.]

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to [continue to] serve as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Change in Control" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) "Corporate Status" describes the status of a person as a current or former director of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(c) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(d) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(e) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(f) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as a director of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise; provided that the foregoing shall not affect the rights of Indemnitee or the Secondary Indemnitors (as defined below) as set forth in Section 13(c);

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law, or from the purchase or sale by Indemnitee of such securities in violation of Section 306 of the Sarbanes Oxley Act of 2002 ("SOX");

(c) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(c) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(d) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made as incurred, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement, and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses of covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (y) if a Change in Control shall not have occurred: (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) Notwithstanding anything to the contrary contained in this Agreement, the determination of entitlement to indemnification under this Agreement shall be made without regard to the Indemnitee's entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption. Neither (i) the failure of the Company or of Independent Counsel to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company or by Independent Counsel that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) [The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by the Secondary Indemnitor and certain of its affiliates (collectively, the "Secondary Indemnitors"). The Company hereby agrees (i) that it is the indemnitor of first resort (*i.e.*, its obligations to Indemnitee are primary and any obligation of the Secondary Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Charter and/or Bylaws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Secondary Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Secondary Indemnitors from any and all claims against the Secondary 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 Secondary Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Secondary 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 Indemnitee against the Company. The Company and Indemnitee agree that the Secondary Indemnitors are express third party beneficiaries of the terms of this Section 13(c).]

(d) [Except as provided in paragraph (c) above,] in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee [(other than against the Secondary Indemnitors)], who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) [Except as provided in paragraph (c) above,] the Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Compass Therapeutics, Inc.
245 First Street, 3rd Floor
Cambridge, MA 02142
Attention: President and CEO

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

COMPASS THERAPEUTICS, INC.

By: _____
Name:
Title:

_____
[Indemnitee]

Exhibit 10.5

COMPASS THERAPEUTICS, INC.

FORM OF OFFICER INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of [Date] by and between Compass Therapeutics, Inc., a Delaware corporation (the "Company"), and [Officer] ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Amended and Restated Certificate of Incorporation (as amended and in effect from time to time, the "Charter") and the Amended and Restated Bylaws (as amended and in effect from time to time, the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Charter, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to [continue to] serve as [a director and] an officer of the Company. Indemnitee may at any time and for any reason resign from [any] such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Change in Control" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) "Corporate Status" describes the status of a person as a current or former [director or] officer of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(c) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(d) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(e) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(f) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was [a director or] an officer of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as [a director or] an officer of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise;

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law, or from the purchase or sale by Indemnitee of such securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002 ("SOX");

(c) to indemnify for any reimbursement of, or payment to, the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company pursuant to Section 304 of SOX or any formal policy of the Company adopted by the Board (or a committee thereof), or any other remuneration paid to Indemnitee if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made as incurred, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement, and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses of covered loss under the provisions of any applicable insurance policy (including , without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.[1]

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: [(x) if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, by Independent Counsel in a written opinion to the Board; or (y) in any other case,] (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board [; provided that, if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, the Independent Counsel shall be selected by Indemnitee]. Indemnitee [or the Company, as the case may be,] may within ten (10) days after written notice of such selection, deliver to the Company [or Indemnitee, as the case may be,] a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

[1] Bracketed portions for CEO Director version only

(c) Notwithstanding anything to the contrary contained in this Agreement, the determination of entitlement to indemnification under this Agreement shall be made without regard to the Indemnitee's entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption. Neither (i) the failure of the Company or of Independent Counsel to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company or by Independent Counsel that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as [both a director and] an officer of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as [a director and] an officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as [a director and] an officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Compass Therapeutics, Inc.
245 First Street, 3rd Floor
Cambridge, MA 02142
Attention: President and CEO

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

COMPASS THERAPEUTICS, INC.

By: _____
Name:
Title:

_____
[Name of Indemnitee]

Exhibit 10.6

INDEMNITY AGREEMENT

This Indemnity Agreement (the "Agreement"), dated as of June ___, 2020, is entered into by and among **Olivia Ventures, Inc.**, a Delaware corporation (the "Parent"), **Compass Therapeutics LLC**, a Delaware limited liability company ("Compass" and together with the Parent, the "Companies"), and the undersigned Indemnitee (the "Indemnitee")

W I T N E S S E T H:

WHEREAS, Indemnitee is a director on the board of directors of the Parent (the "Board of Directors") and/or an officer of the Parent and in such capacity(ies) is performing valuable services for the Parent; and

WHEREAS, the Parent, Compass Acquisition LLC, a wholly-owned subsidiary of the Parent (the "Merger Sub"), and Compass plan to enter into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement"), pursuant to which the Merger Sub shall merge with and into Compass, with Compass remaining as the surviving entity and a wholly-owned operating subsidiary of the Parent (the "Merger"); and

WHEREAS, it is intended that Indemnitee shall be paid promptly by the Companies all amounts necessary to effectuate in full the indemnity provided herein;

NOW, THEREFORE, in consideration of the premises and the covenants in this Agreement, and of Indemnitee and the Companies intending to be legally bound hereby, the parties hereto agree as follows:

1. Indemnification. Subject to the limitations set forth herein and in Section 6 hereof, the Companies hereby agree to indemnify Indemnitee as follows:

The Companies shall, from and after the Effective Time, with respect to any Proceeding (as hereinafter defined), indemnify Indemnitee to the fullest extent permitted by (in the case of the Parent) Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") and the certificate of incorporation and by-laws of the Parent (the "Certificate of Incorporation") or (in the case of Compass) Section 18-108 of the Limited Liability Company Act of the State of Delaware (the "DLLCA") and the certificate of formation and limited liability company operating agreement of the Company in effect on the date hereof or as such law or constitutive document may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits the relevant Company to provide broader indemnification rights than applicable law or constitutive document permitted the applicable Company to provide before such amendment). Notwithstanding the foregoing, the Companies shall not be required to indemnify Indemnitee for acts or omissions of Indemnitee constituting fraud, bad faith, gross negligence or intentional misconduct. The right to indemnification conferred herein and in the constitutive documents of the Companies shall be presumed to have been relied upon by Indemnitee in serving the Parent and shall be enforceable as a contract right. Without in any way diminishing the scope of the indemnification provided by this Section 2, the Companies will, from and after the Effective Time, indemnify Indemnitee against Expenses (as hereinafter defined) and Liabilities (as hereinafter defined) actually and reasonably incurred by Indemnitee or on their behalves in connection with the investigation, defense, settlement or appeal of such Proceeding. In addition to, and not as a limitation of, the foregoing, the rights of indemnification of Indemnitee provided under this Agreement shall include those rights set forth in Section 8 below. Notwithstanding the foregoing, from and after the Effective Time, the Companies shall be required to indemnify Indemnitee in connection with a Proceeding commenced by Indemnitee (other than a Proceeding commenced by Indemnitee to enforce Indemnitee's rights under this Agreement) only if the commencement of such Proceeding was authorized by the Board of Directors following the Effective Time. Notwithstanding anything to the contrary contained herein, the Parent shall have no obligation to indemnify the Indemnitee to the extent such indemnification would not be permitted under Section 145 of the DGCL or the Parent's certificate of incorporation in effect on the date hereof.

2. Presumptions and Effect of Certain Proceedings. Upon making a request for indemnification, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Companies shall have the burden of proof to overcome that presumption in reaching any contrary determination. The termination of any Proceeding by judgment, order, settlement, arbitration award or conviction, or upon a plea of nolo contendere or its equivalent, shall not affect this presumption or, except as determined by a judgment or other final adjudication adverse to Indemnitee, establish a presumption with regard to any factual matter relevant to determining Indemnitee's rights to indemnification hereunder.

3. Advancement of Expenses. To the extent not prohibited by law, from and after the Effective Time, the Companies shall advance the Expenses or Liabilities incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) calendar days after the receipt by the Companies of a statement or statements requesting such advances (which shall include invoices received by Indemnitee in connection with such Expenses or Liabilities but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice) and upon request of the Companies, an undertaking to repay the advancement of Expenses or Liabilities if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Companies. Advances shall be unsecured, interest free and without regard to Indemnitee's ability to repay the expenses. Advances shall include any and all Expenses and/or Liabilities actually and reasonably incurred by Indemnitee pursuing an action to enforce Indemnitee's right to indemnification under this Agreement, or otherwise and this right of advancement, including Expenses and/or Liabilities incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnitee acknowledges that the execution and delivery of this Agreement shall constitute an undertaking providing that Indemnitee shall, to the fullest extent required by law, repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this Section shall continue until final disposition of any proceeding, including any appeal therein. This Section 4 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 15(d)(ii).

4. Procedure for Determination of Entitlement to Indemnification.

(a) Whenever Indemnitee believes that Indemnitee is entitled to indemnification pursuant to this Agreement, Indemnitee shall submit a written request for indemnification or advancement of expenses to the Companies. Any request for indemnification or advancement of expenses shall include sufficient documentation or information reasonably available to Indemnitee for the determination of entitlement to indemnification or advancement of expenses. In any event, Indemnitee shall submit Indemnitee's claim for indemnification or advancement of expenses within a reasonable time, not to exceed sixty calendar (60) days after any judgment, order, settlement, dismissal, arbitration award, conviction, acceptance of a plea of nolo contendere or its equivalent, or final termination, whichever is the later date for which Indemnitee requests indemnification.

(b) Independent Legal Counsel (as hereinafter defined) shall determine whether Indemnitee is entitled to indemnification or advancement of expenses. Determination of Indemnitee's entitlement to indemnification or advancement of expenses shall be made not later than ninety calendar (90) days after the Companies' receipt of Indemnitee's written request for such indemnification or advancement of expenses, provided that any request for indemnification or advancement of expenses for Liabilities, other than amounts paid in settlement, shall have been made after a determination thereof in a Proceeding.

5. Specific Limitations on Indemnification. Notwithstanding anything in this Agreement to the contrary, the Companies shall not be obligated under this Agreement to make any indemnity or payment to Indemnitee in connection with any claim against Indemnitee:

(a) to the extent that payment is actually made to Indemnitee under any insurance policy, contract, agreement or otherwise or is made to Indemnitee by either of the Companies or affiliates otherwise than pursuant to this Agreement. Notwithstanding the availability of such insurance, Indemnitee also may claim indemnification from the Companies pursuant to this Agreement by assigning to the Companies any claims under such insurance to the extent Indemnitee is paid by the Companies;

(b) for Liabilities in connection with Proceedings settled without the Companies' consent, which consent, however, shall not be unreasonably withheld;

(c) in no event shall the Companies be liable to pay the fees and disbursements of more than one counsel in any single Proceeding except to the extent that, in the opinion of counsel of the Indemnitee, the Indemnitee has conflicting interests in the outcome of such Proceeding;

(d) to the extent it would be otherwise prohibited by law, if so established by a judgment or other final adjudication adverse to Indemnitee;

(e) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Companies within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law;

(f) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Companies or their directors, officers, employees or other indemnitees, unless (i) the commencement of such Proceeding was authorized by the Board of Directors (or any part of any Proceeding) prior to its initiation and following the Effective Time, or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(g) for any reimbursement of the Companies by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Companies, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "***Sarbanes-Oxley Act***"), or the payment to the Companies of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor.

6. Fees and Expenses of Independent Legal Counsel. The Companies agree to pay the reasonable fees and expenses of Independent Legal Counsel and to fully indemnify such Independent Legal Counsel against any and all reasonable expenses and losses incurred by any of them arising out of or relating to this Agreement or their engagement pursuant hereto.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination pursuant to Section 5 hereof is made that Indemnitee is not entitled to indemnification, (ii) payment has not been timely made following a determination of entitlement to indemnification pursuant to this Agreement, (iii) the person or persons empowered to make a determination pursuant to Section 5 hereof shall have failed to make the requested determination within ninety calendar (90) days after the Companies' receipt of Indemnitee's written request for such indemnification or advancement of expenses, or (iv) Indemnitee otherwise seeks enforcement of this Agreement, Indemnitee shall be entitled to a final adjudication in a court of competent jurisdiction in the State of Delaware of the remedy sought.

(b) If a determination that Indemnitee is entitled to indemnification has been made pursuant to Section 5 hereof, or is deemed to have been made pursuant to Section 5 hereof or otherwise pursuant to the terms of this Agreement, the Companies shall be bound by such determination in the absence of a misrepresentation or omission of a material fact by Indemnitee in connection with such determination.

(c) The Companies shall be precluded from asserting that the procedures and presumptions of this Agreement are not valid, binding and enforceable. The Companies shall stipulate in any such court or before any such arbitrator that the Companies are bound by all the provisions of this Agreement and are precluded from making any assertion to the contrary.

(d) Expenses reasonably incurred by Indemnitee in connection with Indemnitee's request for indemnification under, seeking enforcement of or to recover damages for breach of this Agreement shall be borne by the Companies when and as incurred by Indemnitee, to the extent it is determined that Indemnitee is entitled to indemnification hereunder.

8. Contribution. To the fullest extent permissible under applicable law, in the event the Companies are obligated to indemnify Indemnitee under this Agreement and the indemnification provided for herein is unavailable to Indemnitee for any reason whatsoever, the Companies, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Companies and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Companies (and their respective directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

9. Modification, Waiver, Termination and Cancellation. No supplement, modification, termination, cancellation or amendment of this Agreement shall be binding unless executed in writing by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

10. Subrogation. In the event of any payment under this Agreement, the Companies shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Companies effectively to bring suit to enforce such rights.

11. Notice by Indemnitee and Defense of Claim. Indemnitee shall promptly notify the Companies in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any matter, whether civil, criminal, administrative or investigative for which such Indemnitee is entitled to indemnification or an advancement of expenses hereunder, but the omission so to notify the Companies will not relieve it from any liability that it may have to Indemnitee if such omission does not prejudice the Companies' rights. If such omission does prejudice the Companies' rights, the Companies will be relieved from liability only to the extent of such prejudice. No such omission shall relieve the Companies of any liability they may otherwise have to Indemnitee outside of this Agreement under applicable law, the Companies' constitutive documents or any agreements.

12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly delivered and received hereunder (a) one business day after being sent for next business day delivery, fees prepaid, via a reputable international overnight courier service, (b) upon delivery in the case of delivery by hand, or (c) on the date delivered in the place of delivery if sent by email (with a written or electronic confirmation of delivery from the recipient, excluding any automated response) prior to 5:00 p.m. Eastern time, otherwise on the next succeeding business day, in each case to the intended recipient as set forth below:

(a)	If to the Parent (prior to closing):	Olivia Ventures, Inc. 2255 Glades Road, Suite 324A Boca Raton, Florida 33431 Attn: [**] Email: [**]
(b)	If to Compass:	Compass Therapeutics LLC 245 First Street, 3rd Floor Cambridge, MA 02142 Attn: [**] Email: [**]
(c)	If to Indemnitee:	The address set forth on the signature page hereto.

or any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties notice in the manner herein set forth.

13. Non-Exclusivity. The rights of Indemnitee hereunder shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under applicable law, the Companies' constitutive documents, or any agreements, vote of stockholders, resolution of the Boards of Directors or otherwise with respect to any Proceeding (as hereinafter defined) associated with Indemnitee acting in his official capacity as an officer and director of the Parent arising out of or pertaining to actions relating to the approval of and entering into the Merger Agreement, the Transaction Documentation (as defined in the Merger Agreement), the Merger and each of the transactions contemplated thereby, whether asserted or claimed prior to, at or after the Effective Time.

14. Certain Definitions.

(a) "Expenses" shall include all direct and indirect costs (including, without limitation, attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, all other disbursements or out-of-pocket expenses) actually and reasonably incurred in connection with either the investigation, defense, settlement or appeal of a Proceeding or establishing or enforcing a right to indemnification under this Agreement, applicable law or otherwise; provided, however, that "Expenses" shall not include any Liabilities.

(b) "Independent Legal Counsel" means a law firm or a member of a firm selected by the Companies and approved by Indemnitee (which approval shall not be unreasonably withheld). Notwithstanding the foregoing, the term "Independent Legal Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Companies or Indemnitee in an action to determine Indemnitee's right to indemnification under this Agreement.

(c) "Liabilities" means liabilities of any type whatsoever including, but not limited to, any judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid in settlement (including all interest assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties or amounts paid in settlement) of any Proceeding.

(d) "Proceeding" means any threatened, pending or completed action, claim, suit, arbitration, alternative dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, that (i) is asserted or claimed or otherwise arises after the Effective Time, (ii) is associated with Indemnitee's actions as an officer and/or director of the Parent arising out of or pertaining to actions relating to the approval of and entering into the Merger Agreement, the Transaction Documentation (as defined in the Merger Agreement), the Merger and each of the transactions contemplated thereby, including any action brought by or in the right of the Parent or Compass, and (iii) is not initiated or brought by the Indemnitee.

15. Binding Effect; Duration and Scope of Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Companies), spouses, heirs and personal and legal representatives. This Agreement shall continue in effect for six (6) years subsequent to the date of this Agreement, regardless of whether Indemnitee continues to serve as director or an officer of the Parent.

16. Severability. If any provision or provisions of this Agreement (or any portion thereof) shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

(a) the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby; and

(b) to the fullest extent legally possible, the provisions of this Agreement shall be construed so as to give effect to the intent of any provision held invalid, illegal or unenforceable.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within the State of Delaware, without regard to conflict of laws rules.

18. Consent to Jurisdiction. The Companies and Indemnitee each irrevocably consent to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any action or Proceeding that arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state courts of the State of Delaware.

19. Entire Agreement. This Agreement represents the entire agreement between the parties hereto, and there are no other agreements, contracts or understandings between the parties hereto with respect to the subject matter of this Agreement.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement and any documents relating to it may be executed and transmitted to any other party by email of a PDF, which PDF shall be deemed to be, and utilized in all respects as, an original, wet-inked document.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

OLIVIA VENTURES, INC.

By: _____
Name: _____
Its: _____

COMPASS THERAPEUTICS LLC

By: _____
Name: _____
Its: _____

INDEMNITEE

By: _____
Name: _____
Address: _____

[Signature Page to Indemnity Agreement]

Exhibit 10.7

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "**Agreement**") is made and entered into effective as of June 19, 2020, among **Compass Therapeutics, Inc.**, a Delaware corporation (the "**Company**"), the persons who have purchased the Offering Shares (as defined below) and have executed omnibus or counterpart signature page(s) hereto (each, a "**Purchaser**" and collectively, the "**Purchasers**"), the persons or entities identified on Schedule 1 hereto holding Merger Shares (as defined below), and the persons or entities identified on Schedule 2 hereto holding Registrable Pre-Merger Shares (as defined below). Capitalized terms used herein shall have the meanings ascribed to them in Section 1 below or in the Subscription Agreement (as defined below).

RECITALS:

WHEREAS, the Company has offered and sold in compliance with Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act to accredited investors in a private placement offering (the "**Offering**") shares of the common stock of the Company, par value $0.0001 per share, pursuant to certain Subscription Agreements entered into by and between the Company and each of the subscribers for the Offering Shares set forth on the signature pages affixed thereto (the "**Subscription Agreements**"); and

WHEREAS, the Company has agreed to enter into a registration rights agreement with each of the Purchasers in the Offering who purchased the Offering Shares and those holders of Merger Shares or Registrable Pre-Merger Shares; and

WHEREAS, contemporaneously with the initial closing of the Offering, a wholly owned subsidiary of the Company has merged with and into Compass Therapeutics LLC, a Delaware limited liability company ("**Compass**").

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants, and conditions set forth herein, the parties mutually agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"**Approved Market**" means the OTCQB, OTCQX, the Nasdaq Stock Market, the New York Stock Exchange or the NYSE American.

"**Blackout Period**" means, with respect to a distribution or registration, a period during which the Company, in the good faith judgment of its board of directors, determines (because of the existence of, or in anticipation of, any acquisition, financing activity, receipt of clinical trial results or other material corporate development or other material transaction involving the Company, or the unavailability for reasons beyond the Company's control of any required financial statements, disclosure of material information which is in its best interest not to publicly disclose, or any other event or condition of similar material significance to the Company) that the registration and/or distribution of the Registrable Securities to be covered by such registration statement, if any, or the circumstances described in Section 4(j) below, would be seriously detrimental to the Company and its stockholders, in each case commencing on the day the Company notifies the Holders that they are required, because of the determination described above, to suspend offers and sales of Registrable Securities and ending on the earlier of (1) the date upon which the material non-public information resulting in the Blackout Period is disclosed to the public or ceases to be material and (2) such time as the Company notifies the selling Holders that sales pursuant to such Registration Statement or a new or amended Registration Statement may resume; provided, however, that the aggregate of all Blackout Periods shall not exceed ninety (90) Trading Days in any twelve (12) month period (except for Blackout Periods arising from the filing of a post-effective amendment to the Registration Statement to update the prospectus therein to include the information contained in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q or Periodic Reports on Form 8-K, which Blackout Period may extend for the amount of time reasonably required to respond to comments of the staff of the Commission (the "**Staff**") on such amendment).

"**Business Day**" means any day of the year, other than a Saturday, Sunday, or other day on which banks in the State of New York are required or authorized to close.

"**Commission**" means the U. S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"**Common Stock**" means the common stock, par value $0.0001 per share, of the Company and any and all shares of capital stock or other equity securities of: (i) the Company which are added to or exchanged or substituted for the Common Stock by reason of the declaration of any stock dividend or stock split, the issuance of any distribution or the reclassification, readjustment, recapitalization or other such modification of the capital structure of the Company; and (ii) any other corporation, now or hereafter organized under the laws of any state or other governmental authority, with which the Company is merged, which results from any consolidation or reorganization to which the Company is a party, or to which is sold all or substantially all of the shares or assets of the Company, if immediately after such merger, consolidation, reorganization or sale, the Company or the stockholders of the Company own equity securities of such other corporation.

"**Competitor**" means any person who is actively engaged in the primary business of the Company, which business constitutes a substantial part of such person's business activities; provided, that notwithstanding anything to the contrary herein, no person or affiliate thereof that is primarily engaged in (or advises funds or other investment vehicles that are engaged in), making, purchasing, holding or otherwise investing in equity securities, loans, notes, bonds or other debt securities in the ordinary course of business shall be deemed a Competitor.

"**Effective Date**" means the date of the final closing of the Offering.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"**Family Member**" means (a) with respect to any individual, such individual's spouse, any descendants (whether natural or adopted), any trust all of the beneficial interests of which are owned by any of such individuals or by any of such individuals together with any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the estate of any such individual, and any corporation, association, partnership or limited liability company all of the equity interests of which are owned by those above described individuals, trusts or organizations and (b) with respect to any trust, the owners of the beneficial interests of such trust.

"**Holder**" means (i) each Purchaser or any of such Purchaser's respective successors and Permitted Assignees who acquire rights in accordance with this Agreement with respect to any Registrable Securities directly or indirectly from a Purchaser or from any Permitted Assignee; (ii) each holder of Registrable Pre-Merger Shares or its respective successors and Permitted Assignees who acquire rights in accordance with this Agreement with respect to any Registrable Securities directly or indirectly from such holder or from any Permitted Assignee thereof; and (iii) each holder of the Merger Shares or its respective successors and Permitted Assignees who acquire rights in accordance with this Agreement with respect to any Registrable Securities directly or indirectly from such holder or from any Permitted Assignee thereof.

"**Majority Holders**" means, at any time, Holders of both (i) a majority of the Registrable Securities then outstanding and (ii) a majority of the Offering Shares then outstanding that constitute Registrable Securities.

"**Merger Shares**" means the 39,055,638 shares of Common Stock issued or issuable in exchange for all of the equity units of Compass that are outstanding immediately prior to the closing of the Merger (inclusive of the shares of Common Stock issuable or issued pursuant to the Blocker Mergers), and any shares of Common Stock issued or issuable with respect to such shares upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"**Permitted Assignee**" means (a) with respect to a partnership, its partners or former partners in accordance with their partnership interests, (b) with respect to a corporation, its stockholders in accordance with their interest in the corporation, (c) with respect to a limited liability company, its members or former members in accordance with their interest in the limited liability company, (d) with respect to an individual party, any Family Member of such party and any trust for the direct or indirect benefit of an individual or a Family Member of such individual, (e) with respect to a trust, to the trustor or beneficiary of such trust or to the estate of a beneficiary of such trust, (f) an entity or trust that is controlled by, controls, or is under common control with a transferor, (g) any affiliate of a transferor in any transaction in which the transferor distributes Restricted Securities to such affiliate for no consideration, (h) a party to this Agreement or (i) any transferee that is not a Competitor of the Company at the time of such transfer.

"**Offering Shares**" means the shares of Common Stock issued to the Purchasers pursuant to the Subscription Agreements, and any shares of Common Stock issued or issuable with respect to such shares upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

The terms "**register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"**Registrable Pre-Merger Shares**" means 1,000,000 shares of Common Stock of the Company held by stockholders of the Company prior to the Merger and remaining outstanding immediately following the effective time of the Merger, and any shares of Common Stock issued or issuable with respect to such shares upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"**Registrable Pre-Merger Stockholder**" means a person holding Registrable Pre-Merger Shares immediately prior to the effective time of the Merger.

"**Registrable Securities**" means (a) the Offering Shares, (b) the Merger Shares, (c) the Registrable Pre-Merger Shares and (d) other shares of Restricted Common Stock held by the Holders, whether hereinafter acquired or issuable in respect of such Common Shares by way of conversion, dividend, stock-split, distribution or exchange, merger, consolidation, recapitalization or reclassification or similar transaction; but, in each case, excluding any otherwise Registrable Securities that (i) have been sold or otherwise transferred other than to a Permitted Assignee or (ii) have been sold under Rule 144 of the Securities Act.

"**Registration Default Period**" means the period beginning on the date of which any Registration Event occurs and ending on the date on which such Registration Event is cured, inclusive.

"**Registration Effectiveness Date**" means the date that is one hundred and fifty (150) calendar days after the Effective Date, which one hundred and fifty day period shall be extended for each day of a U.S. government shut down that results in the Commission temporarily discontinuing review of, or acceleration of the effectiveness of, registration statements, if any.

"**Registration Event**" means the occurrence of any of the following events:

(a) the Company fails to file with the Commission the Registration Statement on or before the Registration Filing Date;

(b) the Registration Statement is not declared effective by the Commission on or before the Registration Effectiveness Date;

(c) after the SEC Effective Date, the Registration Statement ceases for any reason to remain continuously effective or the Holders are otherwise not permitted to utilize the prospectus therein to resell the Registrable Securities for a period of more than fifteen (15) consecutive Trading Days, except for Blackout Periods permitted herein; or

(d) following the listing or inclusion for quotation on an Approved Market, the Registrable Securities, if issued and outstanding, are not listed or included for quotation on an Approved Market, or trading of the Common Stock is suspended or halted on the Approved Market, which at the time constitutes the principal markets for the Common Stock, for more than three (3) full, consecutive Trading Days; provided, however, a Registration Event shall not be deemed to occur if all or substantially all trading in equity securities (including the Common Stock) is suspended or halted on the Approved Market for any length of time.

"**Registration Filing Date**" means the date that is sixty (60) calendar days after the Effective Date.

"**Registration Statement**" means any registration statement that the Company is required to file pursuant to Section 3(a) of this Agreement to register the Registrable Securities and any successor registration statement.

"**Restricted Common Stock**" means any shares of Common Stock that are subject to resale restrictions pursuant to the Securities Act and the rules and regulations promulgated thereunder, including, but not limited to, securities: (1) acquired directly or indirectly from the issuer or an affiliate of the issuer in unregistered offerings such as private placements; (2) acquired through an employee stock benefit plan or as compensation for professional services; or (3) considered "restricted securities" under Rule 144. For purposes of clarity Restricted Common Stock does not include Common Stock that is restricted solely as a result of contractual restrictions, including but not limited to lock-up or similar contractual agreements.

"**Rule 144**" means Rule 144 promulgated by the Commission under the Securities Act, as such rule may be amended or supplemented from time to time, or any similar successor rule that may be promulgated by the Commission.

"**Rule 145**" means Rule 145 promulgated by the Commission under the Securities Act, as such rule may be amended or supplemented from time to time, or any similar successor rule that may be promulgated by the Commission.

"**Rule 415**" means Rule 415 promulgated by the Commission under the Securities Act, as such rule may be amended or supplemented from time to time, or any similar successor rule that may be promulgated by the Commission.

"**Securities Act**" means the Securities Act of 1933, as amended, or any similar federal statute promulgated in replacement thereof, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect at the time.

"**SEC Effective Date**" means the date the Registration Statement is declared effective by the Commission.

"**Trading Day**" means any day on which the Approved Market that at the time constitutes the principal securities market for the Common Stock, is open for general trading of securities (or if there is no Approved Market that at the time constitutes the principal securities market for the Common Stock, then any day on which the New York Stock Exchange is open for general trading of securities).

2. Term. This Agreement shall terminate with respect to each Holder on the earlier of: (i) the date that is five (5) years from the SEC Effective Date and (ii) the date on which all Registrable Securities held by such Holder have been transferred other than to a Permitted Assignee (the "**Term**"). Notwithstanding the foregoing, Section 3(b), Section 6, Section 8, Section 9 and Section 10 shall survive the termination of this Agreement.

3. Registration.

(a) Registration on Form S-1. The Company shall prepare and file with the Commission a Registration Statement on Form S-1, Form S-3, or any other form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the resale by the Holders of all of the Registrable Securities on a delayed or continuous basis (including in stock exchange transactions and underwritten offerings), and the Company shall (i) make the initial filing of the Registration Statement with the Commission no later than the Registration Filing Date, (ii) use its commercially reasonable efforts to cause such Registration Statement to be declared effective no later than the Registration Effectiveness Date and (iii) use its commercially reasonable efforts to keep such Registration Statement if on Form S-3 continuously effective (including by filing a new Registration Statement if the initial Registration Statement expires) for a period of five (5) years after the SEC Effective Date or for such shorter period ending on the date on which all Registrable Securities have been transferred other than to a Permitted Assignee (the "**Effectiveness Period**"); provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 3(a), or keep such registration effective pursuant to the terms hereunder, in any particular jurisdiction in which the Company would be required to qualify to do business as a foreign corporation or as a dealer in securities under the securities laws of such jurisdiction or to execute a general consent to service of process in effecting such registration, qualification or compliance, in each case where it has not already done so. Upon the Company becoming eligible to register the Registrable Securities for resale by the Holders on Form S-3, the Company shall use commercially reasonable efforts to amend the Registration Statement to a Registration Statement on Form S-3 or file a Registration Statement on Form S-3 in substitution of the Registration Statement as initially filed as soon as reasonably practicable thereafter. The Company shall be entitled to suspend the effectiveness of the Registration Statement during a Blackout Period for the reasons and time periods set forth in the definition thereof. After the SEC Effective Date, any Holder whose securities were registered pursuant to Registration Statement may at any time and from time to time request in writing to sell pursuant to a prospectus or a prospectus supplement Registrable Securities of such Holder available for sale pursuant to the Registration Statement. If the Company is not in a Blackout Period, the Company shall use its commercially reasonable efforts to, not later than the fifth Trading Day after the receipt of such notice cause to be filed the prospectus or a prospectus supplement; provided any request for a prospectus supplement may be withdrawn by the initiating Holder prior to the filing thereof. If the Company is in a Blackout Period during the time such request is made, the Company shall use its commercially reasonable efforts to, not later than the fifth Trading Day after the cessation of the Blackout Period to cause to be filed the prospectus or a prospectus supplement; provided any request for a prospectus supplement may be withdrawn by the initiating Holder prior to the filing thereof. The Company shall amend or supplement the Registration Statement as may be necessary in order to enable the inclusion of Registrable Securities by any Holder upon receipt of a written request by such Holder. Notwithstanding the foregoing, in the event that the Staff should limit the number of Registrable Securities that may be sold pursuant to the Registration Statement, the Company may remove from the Registration Statement such number of Registrable Securities as specified by the Commission on behalf of all of the holders of Registrable Securities from the Registrable Securities on a pro rata basis among the holders thereof (such Registrable Securities, the "**Reduction Securities**"). In such event, the Company shall give the Holders prompt notice of the number of Registrable Securities excluded from the Registration Statement. The Company shall use its commercially reasonable efforts at the first opportunity that is permitted by the Commission to, register for resale the Reduction Securities (pro rata among the Holders of such Reduction Securities) using one or more Registration Statements that it is then entitled to use; provided, however, that the Company shall not be required to register such Reduction Securities during a Blackout Period. The Company shall use its commercially reasonable efforts to cause each such Registration Statement to be declared effective under the Securities Act as soon as possible, and shall use its commercially reasonable efforts to keep such Registration Statement continuously effective (including by filing a new Registration Statement if the initial Registration Statement expires) under the Securities Act during the entire Effectiveness Period. Notwithstanding the foregoing, the Company shall be entitled to suspend the effectiveness of such Registration Statement at any time prior to the expiration of the Effectiveness Period for the reasons and time periods during a Blackout Period. No liquidated damages shall accrue or be payable to any Holder pursuant to Section 3(b) below with respect to any Registrable Securities that are excluded by reason of (i) the Staff limiting the number of Registrable Securities that may be sold pursuant to a registration statement (provided that the Company continues to use commercially reasonable efforts to register such Reduction Securities for resale by other available means) or (ii) such Holder failing to provide to the Company information concerning the Holder and the manner of distribution of the Holder's Registrable Securities that is required by the SEC or in response to SEC comments to be disclosed in a registration statement utilized in connection with the registration of registrable securities. Notwithstanding anything herein to the contrary, if the Commission limits the Company's ability to file, or prohibits or delays the filing of a new registration statement, the Company's compliance with such limitation, prohibition or delay solely to the extent of such limitation, prohibition or delay shall not be deemed a failure by the Company to use commercially reasonable efforts as set forth above or elsewhere in this Agreement and shall not require the payment of any liquidated damages by the Company under this Agreement.

(b) Liquidated Damages. If a Registration Event occurs, then the Company will make payments to each Holder of Registrable Securities, as liquidated damages to such Holder by reason of the Registration Event, a cash sum calculated at a rate of twelve percent (12%) per annum of the total of the following, to the extent applicable to such Holder: (i) if the Holder purchased Registrable Securities pursuant to a Subscription Agreement, the aggregate purchase price paid by such Holder pursuant to the Subscription Agreement for the Registrable Securities held by such Holder as of the date of such Registration Event, or (ii) if the Holder is a Holder of Merger Shares or Registrable Pre-Merger Shares, the product of $5.00 (as adjusted for stock splits, stock dividends, combinations, recapitalizations or similar events) multiplied by the number of Merger Shares or Registrable Pre-Merger Shares held by such Holder as of the date of such Registration Event, but in the case of each of clauses (i) and (ii) above, only with respect to such Holder's Registrable Securities that are affected by such Registration Event and only for the applicable Registration Default Period. Notwithstanding the foregoing, the maximum amount of liquidated damages that may be paid by the Company pursuant to this Section 3(b) shall be an amount equal to five percent (5%) of the applicable foregoing amounts described in clauses (i) and (ii) in the preceding sentence with respect to such Holder's Registrable Securities that are affected by all Registration Events in the aggregate. For clarity, and by way of example, if the sum of clauses (i) and (ii) for a specified Holder in the first sentence of this Section 3(b) is $10,000,000, liquidated damages payable by the Company to such Holder by reason of one or more Registration Events affecting all Registrable Securities of such Holder would accrue at a rate of twelve percent (12%) per annum until such time that all liquidated damages payable to such Holder reached a cap of $500,000 in the aggregate for all Registration Events. Each payment of liquidated damages pursuant to this Section 3(b) shall be due and payable in cash in arrears within five (5) days after the end of each full 30-day period of the Registration Default Period until the termination of the Registration Default Period and within five (5) days after such termination. Until the maximum amount of liquidated damages is paid, such payments shall constitute the Holder's sole and exclusive remedy for any Registration Event. The Registration Default Period shall terminate upon the earlier of such time as the Registrable Securities that are affected by the Registration Event cease to be Registrable Securities or (i) the filing of the Registration Statement in the case of clause (a) of the definition of Registration Event, (ii) the SEC Effective Date in the case of clause (b) of the definition of Registration Event, (iii) the ability of the Holders to effect sales pursuant to the Registration Statement in the case of clause (c) of the definition of Registration Event, and (iv) the listing or inclusion and/or trading of the Common Stock on an Approved Market, as the case may be, in the case of clause (d) of the definition of Registration Event; provided, that in the event of a cure of one or more of the Registration Events described in clauses (i)-(iv) above when a separate Registration Event shall be continuing, the Registration Default Period shall continue until all such Registration Events have ceased. The amounts payable as liquidated damages pursuant to this Section 3(b) shall be payable in lawful money of the United States.

(c) Other Limitations. Notwithstanding the provisions of Section 3(b) above, if the Commission does not declare the Registration Statement effective on or before the Registration Effectiveness Date, and the reason for the Commission's determination is that (i) the offering of any of the Registrable Securities constitutes a primary offering of securities by the Company, (ii) Rule 415 may not be relied upon for the registration of the resale of any or all of the Registrable Securities, and/or (iii) a Holder of any Registrable Securities must be named as an underwriter and such Holder does not consent to be so named in the Registration Statement, the Holders shall not be entitled to liquidated damages with respect to the Registrable Securities not registered; provided that the Company continues to use its commercially reasonable efforts at the first opportunity that is permitted by the Commission to register for resale all such Registrable Securities, using one or more registration statements that it is then entitled to use. The Company shall use its commercially reasonable efforts to cause each such registration statement to be declared effective under the Securities Act as soon as possible, and shall use its commercially reasonable efforts to keep such registration statement continuously effective under the Securities Act during the entire Effectiveness Period. Notwithstanding the foregoing, the Company shall be entitled to suspend the effectiveness of such Registration Statement at any time prior to the expiration of the Effectiveness Period for the reasons and time periods during a Blackout Period. No liquidated damages shall accrue or be payable to any Holder with respect to any Registrable Securities that are excluded by reason of the Staff limiting the number of Registrable Securities that may be sold pursuant to a registration statement; provided that the Company continues to use commercially reasonable efforts to register such Registrable Securities for resale by other available means. Notwithstanding anything herein to the contrary, if the Commission limits the Company's ability to file, or prohibits or delays the filing of a new registration statement, the Company's compliance with such limitation, prohibition or delay solely to the extent of such limitation, prohibition or delay shall not be deemed a failure by the Company to use commercially reasonable efforts as set forth above or elsewhere in this Agreement and shall not require the payment of any liquidated damages by the Company under this Agreement.

(d) Secondary Offering. If the Company receives a written notice from a Holder or Holders of the Registrable Securities then outstanding (the "**Requesting Holders**") that they desire to distribute Registrable Securities held by them (or a portion thereof) of at least (i) 3,000,000 shares of Registrable Securities (as adjusted for any stock split, dividend, combination or other recapitalization from the date hereof) or (ii) an estimated market value of at least $10,000,000, in either case by means of an underwritten offering or a block trade (a "**Secondary Offering**"), the Company shall: (i) use commercially reasonable efforts to promptly engage one or more underwriter(s) or investment bank(s) to conduct such Secondary Offering; and (ii) promptly give notice of such Secondary Offering (each such request shall be referred to herein as a "**Demand Takedown**") at least ten (10) Business Days prior to the anticipated filing date of the prospectus or supplement relating to such Secondary Offering to the other Holders and thereupon shall use its commercially reasonable efforts to effect, as expeditiously as possible, the offering in such Secondary Offering of: (A) subject to the restrictions set forth in this Section 3(d), all Registrable Securities for which the Requesting Holders have requested to be included in such Secondary Offering, and (B) subject to the restrictions set forth in this Section 3(d), all other Registrable Securities that any other Holders (all such other Holders, together with the Requesting Holders, the "**Selling Holders**") have requested the Company to offer in such Secondary Offering by request received by the Company within five (5) Business Days after the Company has delivered notice of the Demand Takedown, all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be offered. The Company shall only be required to effectuate one Secondary Offering within any six-month period. The underwriter(s) or investment bank(s) will be selected by the Holders of a majority of the Registrable Securities held by all Holders providing such notice and reasonably acceptable to the Company (such approval not to be unreasonably conditioned, withheld or delayed). All Holders proposing to distribute their securities through such Secondary Offering shall enter into an underwriting agreement or other agreement(s), including, if requested by the managing underwriter or investment bank, any lock-up or market standoff agreements, in customary form with the underwriter(s) or investment bank(s) selected for such Secondary Offering as may be mutually agreed upon among the Company, the underwriter(s) or investment bank(s) and Holders of a majority of the Registrable Securities to be offered in such Secondary Offering. In connection with a Secondary Offering, the Company shall enter into and perform its obligations under an underwriting agreement or other agreement(s), in usual and customary form as may be mutually agreed upon among the Company, the underwriter(s) or investment bank(s) and the Holders of a majority of the Registrable Securities to be included in such Secondary Offering. Notwithstanding any other provision of this Section 3(d), if the managing underwriter in good faith advises the Selling Holders and the Company in writing that the inclusion of all Registrable Securities proposed to be included by the Selling Holders would materially and adversely interfere with the successful marketing of such offering, then the number of shares, including the Registrable Securities, that may be included in such Secondary Offering shall be allocated among such Holders of Registrable Securities, and any other holders of shares, as follows: (i) first, the Registrable Securities to be included in such Secondary Offering by the Selling Holders in proportion (as nearly as practicable) to the number of Registrable Securities proposed to be sold by each such Selling Holder or in such other proportion as shall mutually be agreed to by all such Selling Holders; and (ii) second to the Company, if the Company desires to sell any shares of Common Stock or other securities in such offering and (iii) third to all other holders of securities included in the Secondary Offering. The provisions of this Section 3(d) shall apply, *mutatis mutandis*, to any future registration rights agreements entered into by the Company such that the Company shall be required to give notice of a Secondary Offering (or equivalent term) under such other registration rights agreement to Holders and permit Holders to participate in such Secondary Offering as Selling Holders.

4. Registration Procedures. The Company will keep each Holder reasonably advised as to the filing and effectiveness of the Registration Statement. At its expense with respect to the Registration Statement, the Company will:

(a) subject to compliance with Section 5(b), prepare and file with the Commission with respect to the Registrable Securities, the Registration Statement in accordance with Section 3(a) hereof, and use its commercially reasonable efforts to cause such Registration Statement to become effective and to remain effective for the Effectiveness Period;

(b) not name any Holder in the Registration Statement as an underwriter without that Holder's prior written consent;

(c) provide any Holder, any underwriter participating in any disposition pursuant to a Registration Statement, and any attorney, accountant or other agent retained by any Holder or underwriter (each, an "**Inspector**" and, collectively, the "**Inspectors**"), the reasonable opportunity to review and comment on such Registration Statement, each prospectus included therein or filed with the Commission and each amendment or supplement thereto;

(d) for a reasonable period prior to the filing of the Registration Statement pursuant to this Agreement, make available for inspection and copying by the Inspectors such financial and other information and books and records, pertinent corporate documents and properties of the Company and its subsidiaries and cause the officers, directors, employees, counsel and independent certified public accountants of the Company and its subsidiaries to respond to such inquiries and to supply all information reasonably requested by any such Inspector in connection with such Registration Statement, as shall be reasonably necessary, to conduct a reasonable investigation within the meaning of the Securities Act;

(e) if the Registration Statement or any post-effective amendment thereto is subject to review by the Commission, promptly respond to all comments, diligently pursue resolution of any comments to the satisfaction of the Commission and file all amendments and supplements to such Registration Statement as may be required to respond to comments from the Commission and otherwise to enable such Registration Statement to be declared effective;

(f) during the Effectiveness Period, prepare and file with the Commission such amendments and supplements to such Registration Statement as may be necessary to keep such Registration Statement continuously effective, current and up-to-date for the applicable time period required hereunder and, if applicable, file any Registration Statement pursuant to Rule 462(b) under the Securities Act; cause the related prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act;

(g) not less than ten (10) Trading Days prior to filing the Registration Statement or any related prospectus or any amendment or supplement thereto, the Company shall furnish to the Holders (or, if so specified by any Holder, legal counsel to such Holder) copies of or a link to all such documents proposed to be filed (other than those incorporated by reference) and duly consider in good faith any comments received from the Holders (or from legal counsel to such Holders, as applicable);

(h) furnish, without charge, to each Holder of Registrable Securities covered by such Registration Statement (i) a reasonable number of copies of such Registration Statement (including any exhibits thereto other than exhibits incorporated by reference), each amendment and supplement thereto as such Holder may reasonably request, (ii) such number of copies of the prospectus included in such Registration Statement (including each preliminary prospectus and any other prospectus filed under Rule 424 of the Securities Act) as such Holders may reasonably request, in conformity with the requirements of the Securities Act, and (iii) such other documents as such Holder may reasonably require to consummate the disposition of the Registrable Securities owned by such Holder, but only during the Effectiveness Period; provided that the Company shall have no obligation to furnish any document pursuant to this clause that is available on the Electronic Data Gathering, Analysis, and Retrieval ("**EDGAR**") system;

(i) use its reasonable best efforts to register or qualify the securities covered by such Registration Statement under such other applicable securities laws of such jurisdictions within the United States, including Blue Sky laws, as any Holder of Registrable Securities covered by such Registration Statement reasonably requests and as may be reasonably necessary for the marketability of the Registrable Securities (such request to be made by the time the applicable Registration Statement is deemed effective by the Commission) and do any and all other acts and things reasonably necessary to enable such Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder; provided, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph or (ii) consent to general service of process in any such jurisdiction where it has not already done so;

(j) as promptly as practicable after becoming aware of any event, notify each Holder of Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event that will, after the occurrence of such event, cause the prospectus included in such Registration Statement, if not amended or supplemented, to contain an untrue statement of a material fact or an omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and the Company shall promptly thereafter prepare and furnish to such Holder a supplement or amendment to such prospectus (or prepare and file appropriate reports under the Exchange Act) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless suspension of the use of such prospectus otherwise is authorized herein or in the event of a Blackout Period, in which case no supplement or amendment need be furnished (or Exchange Act filing made) until the termination of such suspension or Blackout Period; provided that any and all information provided to the Holder pursuant to such notification shall remain confidential to each Holder until such information otherwise becomes public, unless disclosure by a Holder is required by law;

(k) comply, and continue to comply during the Effectiveness Period, in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission with respect to the disposition of all securities covered by such Registration Statement;

(l) as promptly as practicable after becoming aware of such event, notify each Holder of Registrable Securities being offered or sold pursuant to the Registration Statement of the issuance by the Commission or any other federal or state governmental authority of any stop order or other suspension of effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(m) use commercially reasonable efforts to obtain all other approvals, consents, exemptions or authorizations from such governmental agencies or authorities as may be necessary to enable the Holders and underwriters to consummate the disposition of Registrable Securities;

(n) enter into customary agreements (including any underwriting agreements in customary form, including any representations and warranties and lock-up provisions therein), and take such other actions as may be reasonably required in order to expedite or facilitate the disposition of Registrable Securities;

(o) use its commercially reasonable efforts to furnish, or cause to be furnished, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance reasonably acceptable to the managing underwriter, addressed to the underwriters and (ii) a "comfort" letter dated as of such date, from the independent certified public accountants of the Company, in form and substance reasonably acceptable to the managing underwriter, addressed to the underwriters;

(p) use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission and make available to its shareholders, as soon as reasonably practicable, but no later than sixteen (16) months after the effective date of any Registration Statement (as defined in Rule 168(c) under the Securities Act), an earnings statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(q) provide officers' certificates and other customary closing documents;

(r) use its commercially reasonable efforts to cause the shares of Common Stock to be quoted or listed on an Approved Market;

(s) cooperate with each Holder and each underwriter participating in the disposition of such Registrable Securities and underwriters' counsel in connection with any filings required to be made with the Financial Industry Regulatory Authority ("**FINRA**") and file a Form 15c2-11 with FINRA no later than the Registration Filing Date;

(t) cause appropriate officers as are reasonably requested by a managing underwriter or investment bank to participate in a "road show" or similar marketing effort being conducted by such underwriter with respect to an underwritten public offering;

(u) provide a transfer agent and registrar, which may be a single entity, for the shares of Common Stock at all times, and cooperate with the Holders to facilitate the timely preparation and delivery of the Registrable Securities to be delivered to a transferee pursuant to a resale of Registrable Securities pursuant to the Registration Statement (whether electronically or in certificated form) which Registrable Securities shall be free, to the extent permitted by the applicable Subscription Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may request;

(v) cooperate with the Holders of Registrable Securities being offered pursuant to the Registration Statement to issue and deliver, or cause its transfer agent to issue and deliver, certificates representing Registrable Securities to be offered pursuant to the Registration Statement within a reasonable time after the delivery of certificates representing the Registrable Securities to the transfer agent or the Company, as applicable, and enable such certificates to be in such denominations or amounts as the Holders may reasonably request and registered in such names as the Holders may request;

(w) notify the Holders, the Placement Agents and their counsel as promptly as reasonably possible and (if requested by any such Person) confirm such notice in writing: (i)(A) when a Prospectus or any prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed; (B) when the Commission notifies the Company whether there will be a "no review," "review" or a "completion of a review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement (in which case the Company shall provide true and complete copies thereof and all written responses thereto to each of the Holders that pertain to the Holders as a selling stockholder, but not information which the Company believes would constitute material and non-public information); and (C) with respect to the Registration Statement or any post-effective amendment, when the same has been declared effective, provided, however, that such notice under this clause (C) shall be delivered to each Holder; (ii) during the Effectiveness Period, of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or prospectus or for additional information that pertains to the Holders as selling stockholders; or (iii) during the Effectiveness Period, of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose;

(x) during the Effectiveness Period, refrain from bidding for or purchasing any Common Stock or any right to purchase Common Stock or attempting to induce any person to purchase any such security or right if such bid, purchase or attempt would in any way limit the right of the Holders to sell Registrable Securities by reason of the limitations set forth in Regulation M of the Exchange Act;

(y) use its commercially reasonable efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement or suspending or preventing the use of any related prospectus, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment;

(z) use commercially reasonable efforts to assist a Holder in facilitating any sales (including but not limited to private sales) or other transfers of Registrable Securities by, among other things, providing officers' certificates and other customary closing documents reasonably requested by a Holder;

(aa) cooperate with any broker-dealer through which a Holder proposes to resell its Registrable Securities in effecting a filing with the FINRA Corporate Financing Department pursuant to FINRA Rule 5110, as requested by any such Holder, and the Company shall pay the filing fee required by such filing within two (2) Trading Days of the request therefor; and

(bb) take all other commercially reasonable actions necessary to enable, expedite or facilitate the Holders to dispose of the Registrable Securities by means of the Registration Statement contemplated hereby during the Term.

5. Obligations of the Holders.

(a) At any time, and from time to time, after the Registration Effectiveness Date, the Company may notify one or more of the Holders (in each case, the "**Specified Holders**") in writing (each, a "**Suspension Notice**") of the happening of: (i) any event of the kind described in Section 4(j); (ii) any Blackout Period; or (iii) only with respect to a Holder who is an "insider" covered by such program, any suspension by the Company, pursuant to a written insider trading compliance program adopted by the Company's Board of Directors, of the ability of all "insiders" covered by such program to transact in the Company's securities because of the existence of material non-public information (each, a "**Suspension Event**"). Upon receipt of any Suspension Notice, each Specified Holder shall as promptly as practicable discontinue disposition of such Holder's Registrable Securities covered by the Registration Statement until such Specified Holder receives the supplemented or amended prospectus contemplated by Section 4(h), such blackout period shall have terminated or the restriction on the ability of "insiders" to transact in the Company's securities is removed, as applicable, and, if so directed by the Company, each such Specified Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Specified Holder's possession, of the most recent prospectus covering such Specified Holder's Registrable Securities at the time of receipt of such Suspension Notice. The foregoing right to delay or suspend may be exercised by the Company for no longer than ninety (90) Trading Days in any consecutive 12-month period (and for the avoidance of doubt, if the delay or suspension relates to a Blackout Period, the period of delay or suspension shall also count against the maximum number of days for Blackout Periods in the definition of such term).

(b) The Holders of the Registrable Securities shall provide such information as may reasonably be requested by the Company in connection with the preparation of the Registration Statement, including amendments and supplements thereto, in order to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 3(a) of this Agreement and in connection with the Company's obligation to comply with federal and applicable state securities laws, including a completed questionnaire in the form attached to this Agreement as Annex A (a "**Selling Securityholder Questionnaire**").

(c) Each Holder, by its acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of the Registration Statement hereunder, unless such Holder has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement.

6. Registration Expenses. The Company shall pay all expenses arising from or incident to the performance of, or compliance with, this Agreement, including, without limitation, (i) the Commission, stock exchange, OTC Markets Group, FINRA and other registration and filing fees, (ii) rating agencies fees, (iii) all fees and expenses incurred in connection with complying with any securities or blue sky laws (including reasonable and documented fees, charges and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iv) all printing (including financial printer), messenger and delivery expenses, (v) the fees, charges and disbursements of counsel to the Company and of its independent public accountants and any other accounting and legal fees, charges and expenses incurred by the Company (including any expenses arising from any special audits or "comfort letters" required in connection with or incident to any registration), (vi) the fees, charges and disbursements of any special experts retained by the Company in connection with any registration pursuant to the terms of this Agreement, (vii) all internal expenses of the Company (including all salaries and expenses of its officers and employees performing legal or accounting duties), (viii) the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange, (ix) Securities Act liability insurance (if the Company elects to obtain such insurance), regardless of whether a Registration Statement filed in connection with such registration is declared effective and (x) reasonable and documented fees, charges and disbursements of a single counsel to the Holders in an amount not to exceed $35,000; provided, that, in any underwritten registration, the Company shall have no obligation to pay any underwriting discounts, selling commissions or transfer taxes attributable to the Registrable Securities being sold by the Holders thereof, which underwriting discounts, selling commissions and transfer taxes shall be borne by such Holders. Except as provided in this Section 6 and Section 8 of this Agreement, the Company shall not be responsible for the expenses of any attorney or other advisor employed by a Holder or for any other fees, disbursements and expenses incurred by Holders not specifically agreed to in this Agreement.

7. Assignment of Rights. No Holder may assign its rights under this Agreement to any party without the prior written consent of the Company; provided, however, that any Holder may assign its rights under this Agreement without such consent (a) to a Permitted Assignee with respect to the Registrable Securities transferred to such Permitted Assignee (which Registrable Securities continue to constitute Restricted Common Stock following such assignment) as long as (i) such transfer or assignment is effected in accordance with applicable securities laws; (ii) such transferee or assignee agrees in writing to become bound by and subject to the terms of this Agreement; (iii) such Holder notifies the Company in writing of such transfer or assignment, stating the name and address of the transferee or assignee and identifying the Registrable Securities with respect to which such rights are being transferred or assigned; and (iv) such transfer shall be at least 100,000 shares of Registrable Securities (as adjusted for any stock split, dividend, combination or other recapitalization from the date hereof); or (b) as otherwise permitted under the applicable Subscription Agreement. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Majority Holders (other than by merger or consolidation or to an entity which acquires the Company including by way of acquiring all or substantially all of the Company's assets, which shall not require such consent).

8. Indemnification.

(a) To the fullest extent permitted by applicable law, the Company shall, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, each Holder, its affiliates, directors, officers, stockholders, members, managers, partners, employees and agents and each other person, if any, who controls or is under common control with such Holder within the meaning of Section 15 of the Securities Act (collectively, the "**Holder Indemnified Parties**"), against any and all losses, claims, damages, liabilities, costs, expenses, judgments, fines, penalties, charges and amounts paid in settlement (or actions or proceedings, whether commenced or threatened, in respect thereof) (collectively, "**Losses**") that arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement prepared and filed by the Company under which Registrable Securities were registered under the Securities Act, any preliminary prospectus, free writing prospectus as defined under Rule 433(d) of the Securities Act ("**Free Writing Prospectus**"), any "testing-the-water" communication that is a written communication within the meaning of Rule 405 under the Securities Act ("**Testing the Water Communication**"), any road show communication as defined in Rule 433(h) under the Securities Act ("**Road Show Communication**"), final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated or necessary to make the statements therein in light of the circumstances in which they were made not misleading, and the Company shall reimburse the Holder Indemnified Parties for any legal or any other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, action or proceeding; provided, however, that the Company shall not be liable in any such case (i) to the extent, but only to the extent, that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon (x) an untrue statement in or omission from such registration statement, any such preliminary prospectus, Free Writing Prospectus, Testing the Water Communication, Road Show Communication, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information included in the Selling Securityholder Questionnaire, attached hereto as Annex A, furnished by a Holder or its representative (acting on such Holder's behalf) to the Company expressly for use in the preparation thereof or (y) the failure of a Holder to comply with the covenants and agreements contained in Section 5 hereof respecting the sale of Registrable Securities. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holder Indemnified Parties and shall survive the transfer of such shares by the Holder.

(b) As a condition to including Registrable Securities in the registration statement filed pursuant to this Agreement, each Holder agrees, severally and not jointly, to be bound by the terms of this Section 8 and to indemnify and hold harmless, to the fullest extent permitted by law, the Company, each of its directors, officers, partners, and each underwriter, if any, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any Losses, insofar as such Losses arise out of or are based upon any untrue statement of a material fact contained in any registration statement, any preliminary prospectus, Free Writing prospectus, Testing the Water Communication, Road Show Communication, final prospectus, summary prospectus, amendment or supplement thereto, or arise out of or are based upon the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, to the extent, but only to the extent, that such untrue statement or omission is included or omitted in reliance upon and in conformity with written information included in the Selling Securityholder Questionnaire, attached hereto as Annex A, furnished by the Holder or its representative (acting on such Holder's behalf) to the Company expressly for use in the preparation thereof, and such Holder shall reimburse the Company, and its directors, officers, partners, and any such controlling persons for any legal or other expenses reasonably incurred by them in connection with investigating, defending, or settling any such loss, claim, damage, liability, action, or proceeding; provided, however, that the indemnity obligation contained in this Section 8(b) shall in no event exceed the amount of the net proceeds received by such Holder as a result of the sale of such Holder's Registrable Securities pursuant to such registration statement. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer by any Holder of such shares.

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in this Section 8 (including any governmental action), such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the indemnifying party of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Section 8, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice in any material respect. In case any such action is brought against an indemnified party, unless in the reasonable judgment of counsel to such indemnified party a conflict of interest between such indemnified party and indemnifying parties may exist or the indemnified party may have defenses not available to the indemnifying party in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties arises in respect of such claim or the indemnified party may have defenses not available to the indemnifying party in respect of such claim after the assumption of the defenses thereof or the indemnifying party fails to defend such claim in a diligent manner, other than reasonable costs of investigation. Neither an indemnified party nor an indemnifying party shall be liable for any settlement of any action or proceeding effected without its consent (which shall not be unreasonably withheld or delayed). No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement, which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. Notwithstanding anything to the contrary set forth herein, and without limiting any of the rights set forth above, in any event any party shall have the right to retain, at its own expense, counsel with respect to the defense of a claim. Each indemnified party shall furnish such information regarding itself or the claim in question as an indemnifying party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If an indemnifying party does not or is not permitted to assume the defense of an action pursuant to Section 8(c) or in the case of the expense reimbursement obligation set forth in Sections 8(a) and 8(b), the indemnification required by Sections 8(a) and 8(b) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Losses are incurred.

(e) If the indemnification provided for in Section s 8(a) and 8(b) is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (i) in such proportion as is appropriate to reflect the proportionate relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission), or (ii) if the allocation provided by clause (i) above is not permitted by applicable law or provides a lesser sum to the indemnified party than the amount hereinafter calculated, then in such proportion as is appropriate to reflect not only the proportionate relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations. Notwithstanding any other provision of this Section 8(e), no Holder shall be required to contribute any amount in excess of the amount by which the net proceeds received by such Holder from the sale of the Registrable Securities pursuant to the Registration Statement exceeds the amount of damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement of a material fact or omission, except in the case of fraud or willful misconduct. No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 8 are in addition to any liability that the indemnifying parties may have to the indemnified parties and are not in diminution or limitation of the indemnification provisions under the applicable Subscription Agreement.

9. (a) Rule 144. The Company shall file with the Commission "Form 10 information" (as defined in Rule 144(i)(3) under the Securities Act) reflecting its status as an entity that is no longer an issuer described in Rule 144(i)(1)(i) as promptly as practicable following the closing of the Merger. Following the Effective Date, the Company will use its commercially reasonable efforts to timely file all reports required to be filed by the Company after the date hereof under the Exchange Act and the rules and regulations adopted by the Commission thereunder, and if the Company is not required to file reports pursuant to such sections, it will prepare and furnish to the Holders and make publicly available in accordance with Rule 144(c) such information as is required for the Holders to sell shares of Common Stock under Rule 144.

(b) Stock Exchange Listing. The Company shall use commercially reasonable efforts to cause the Common Stock to be registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Stock Market or the New York Stock Exchange as soon as practicable after the Company meets all of the applicable listing criteria for any tier of such stock exchanges. For the avoidance of doubt, the Company's commercially reasonable efforts in connection with this Section 9(b) shall include any necessary stock-splits, reverse stock splits, stock dividends or other corporate actions necessary or appropriate to obtain a listing. Except as otherwise provided herein, all expenses in connection with the matters contemplated by this Section 9(b) shall be borne by the Company.

10. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the United States of America and the State of New York, both substantive and remedial, without regard to New York conflicts of law principles. Any judicial proceeding brought against either of the parties to this Agreement or any dispute arising out of this Agreement or any matter related hereto shall be brought in the state or federal courts of the State of New York, New York County and, by its execution and delivery of this Agreement, each party to this Agreement accepts the jurisdiction of such courts. The foregoing consent to jurisdiction shall not be deemed to confer rights on any person other than the parties to this Agreement.

(b) Remedies. Except as otherwise specifically set forth herein with respect to a Registration Event, in the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to seek specific performance of its rights under this Agreement. Except as otherwise specifically set forth herein with respect to a Registration Event, the Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(c) Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, Permitted Assignees, executors and administrators of the parties hereto.

(d) No Inconsistent Agreements. The Company has not entered, as of the date hereof, and shall not enter, on or after the date of this Agreement, into any agreement with respect to its securities that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(e) Entire Agreement. This Agreement and the documents, instruments and other agreements specifically referred to herein or delivered pursuant hereto (including the Subscription Agreements) constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof.

(f) Notices, etc. All notices, consents, waivers, and other communications which are required or permitted under this Agreement shall be in writing will be deemed given to a party (a) upon receipt, when personally delivered; (b) one (1) Business Day after deposit with a nationally recognized overnight courier service with next day delivery specified, costs prepaid on the date of delivery, if delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (c) the time of transmission if sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment if such notice or communication is delivered prior to 5:00 P.M., New York City time, on a Trading Day, or the next Trading Day after the date of transmission, if such notice or communication is delivered on a day that is not a Trading Day or later than 5:00 P.M., New York City time, on any Trading Day, provided confirmation of facsimile is mechanically or electronically generated and kept on file by the sending party and confirmation of email is kept on file, whether electronically or otherwise, by the sending party and the sending party does not receive an automatically generated message from the recipients email server that such e-mail could not be delivered to such recipient; (d) the date received or rejected by the addressee, if sent by certified mail, return receipt requested, postage prepaid; or (e) seven (7) days after the placement of the notice into the mails (first class postage prepaid), to the party at the address, facsimile number, or e-mail address furnished by the such party,

If to the Company, to:

Compass Therapeutics
245 First Street, 3rd Floor
Cambridge, MA 02142
Attention: [**]
Email: [**]

with copy to:

Goodwin Procter LLP
100 Northern Avenue
Boston, MA 02210
Attention: [**]
E-Mail: [**]

if to a Holder, to:

such Holder at the address set forth on the signature page hereto or in the Company's records;

or at such other address as any party shall have furnished to the other parties in writing in accordance with this Section 10(h).

(g) Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Holder, upon any breach or default of the Company under this Agreement, shall impair any such right, power or remedy of such Holder nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereunder 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. Any waiver, permit, consent or approval of any kind or character on the part of any Holder of any breach or default under this Agreement, or any waiver on the part of any Holder of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to any holder, shall be cumulative and not alternative.

(h) Counterparts. This Agreement may be executed in any number of counterparts, and with respect to any Purchaser, by execution of an Omnibus Signature Page to this Agreement and the applicable Subscription Agreement, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument. In the event that any signature is delivered by facsimile transmission or by an e-mail, which contains a copy of an executed signature page such as a portable document format (.pdf) file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or e-mail of an executed signature page such as a .pdf signature page were an original thereof.

(i) Severability. In the case any provision of this Agreement shall be invalid, illegal or unenforceable, such provision shall be replaced with a valid, legal and enforceable provision that as closely as possible reflects the parties' intent with respect thereto, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(j) Amendments. Except as otherwise provided herein, the provisions of this Agreement may be amended at any time and from time to time, and particular provisions of this Agreement may be waived, with and only with an agreement or consent in writing signed by the Company and the Majority Holders; provided that this Agreement may not be amended and the observance of any term hereof may not be waived with respect to any Holder without the written consent of such Holder if such amendment or waiver on its face materially and adversely affects the rights of such Holder under this Agreement in a manner that is different than the other Holders. The Purchasers acknowledge that by the operation of this Section 10(j), the Majority Holders may have the right and power to diminish or eliminate all rights of the Purchasers under this Agreement.

(k) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Except as expressly provided herein, each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained herein was solely in the control of the Company, not the action or decision of any Holder, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Holder. Except as expressly provided herein, it is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

(l) Subsequent Registration Rights. The Company shall not enter into any agreement granting registration rights more favorable than the registration rights set forth in this Agreement without the written consent of the Majority Holders.

[*COMPANY SIGNATURE PAGE FOLLOWS*]

This Registration Rights Agreement is hereby executed as of the date first above written.

THE COMPANY:

COMPASS THERAPEUTICS, INC.

By: /s/ Thomas Schuetz
Name: Thomas Schuetz
Title: CEO

PURCHASERS

See Omnibus Signature Pages to Subscription Agreement

REGISTRABLE PRE-MERGER STOCKHOLDER (INDIVIDUAL):

Print Name

Signature

REGISTRABLE PRE-MERGER STOCKHOLDER (ENTITY):

Print Name of Entity

By:
Name:
Title:

HOLDER OF MERGER SHARES (INDIVIDUAL):

Print Name

Signature

HOLDER OF MERGER SHARES (ENTITY):

Print Name of Entity

By:
Name:
Title:

All Holders: Address

Schedule 1

Holders of Merger Shares

Name	Number of Shares
[**]	[**]

Schedule 2

Registrable Pre-Merger Stockholders

Name	Number of Shares
[**]	[**]

Annex A

Compass Therapeutics, Inc.

Selling Securityholder Notice and Questionnaire

The undersigned beneficial owner of Registrable Securities of Compass Therapeutics, Inc., a Delaware corporation (the "Company"), understands that the Company has filed or intends to file with the U.S. Securities and Exchange Commission a registration statement (the "Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended, of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement (the "Registration Rights Agreement") to which this document is annexed. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling security holder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling security holder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the "Selling Securityholder") of Registrable Securities hereby elects to include the Registrable Securities owned by it in the Registration Statement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

QUESTIONNAIRE

1. Name:

(a) Full Legal Name of Selling Securityholder

_____

_____

(b) Full Legal Name of Registered Holder (holder of record) (if not the same as (a) above) through which Registrable Securities are held:

_____

_____

(c) If you are not a natural person, full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by this Questionnaire):

_____

_____

2. Address for Notices to Selling Securityholder:

_____

_____

Telephone: _____ Fax: _____

Email: _____

Contact Person _____

3. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes ☐ No ☐

(b) If "yes" to Section 3(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes ☐ No ☐

Note: If "no" to Section 3(b), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes ☐ No ☐

(d) If you are an affiliate of a broker-dealer, do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes ☐ No ☐

Note: If "no" to Section 3(d), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

4. Beneficial Ownership of Securities of the Company Owned by the Selling Securityholder:

Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company.

(a) Please list the type (common stock, warrants, etc.) and amount of all securities of the Company (including any Registrable Securities) beneficially owned[1] by the Selling Securityholder:

5. Relationships with the Company:

Except as set forth below, neither you nor (if you are a natural person) any member of your immediate family, nor (if you are not a natural person) any of your affiliates[2], officers, directors or principal equity holders (owners of 5% of more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

1 ***Beneficially Owned*****:** A "beneficial owner" of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares (i) ***voting power***, including the power to direct the voting of such security, *or* (ii) ***investment power***, including the power to dispose of, or direct the disposition of, such security. In addition, a person is deemed to have "beneficial ownership" of a security of which such person has the right to acquire beneficial ownership at any time within 60 days, including, but not limited to, any right to acquire such security: (i) through the exercise of any option, warrant or right, (ii) through the conversion of any security or (iii) pursuant to the power to revoke, or the automatic termination of, a trust, discretionary account or similar arrangement.

It is possible that a security may have more than one "beneficial owner," such as a trust, with two co-trustees sharing voting power, and the settlor or another third party having investment power, in which case each of the three would be the "beneficial owner" of the securities in the trust. The power to vote or direct the voting, or to invest or dispose of, or direct the investment or disposition of, a security may be indirect and arise from legal, economic, contractual or other rights, and the determination of beneficial ownership depends upon who ultimately possesses or shares the power to direct the voting or the disposition of the security.

The final determination of the existence of beneficial ownership depends upon the facts of each case. You may, if you believe the facts warrant it, disclaim beneficial ownership of securities that might otherwise be considered "beneficially owned" by you.

2 ***Affiliate*****:** An "affiliate" is a company or person that directly, or indirectly through one or more intermediaries, controls you, or is controlled by you, or is under common control with you.

The undersigned agrees to promptly notify the Company of any material inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective; provided, that the undersigned shall not be required to notify the Company of any changes to the number of securities held or owned by the undersigned or its affiliates.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus and any amendments or supplements thereto.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Selling Securityholder Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

BENEFICIAL OWNER (individual)

_____
Signature

_____
Print Name

_____
Signature (if Joint Tenants or Tenants in Common)

BENEFICIAL OWNER (entity)

_____
Name of Entity

_____
Signature

Print Name: _____

Title: _____

PLEASE E-MAIL A COPY OF THE COMPLETED AND EXECUTED SELLING SECURITYHOLDER NOTICE AND QUESTIONNAIRE TO:

Goodwin Procter LLP
100 Northern Avenue
Boston, MA 02210
Attention: [**]
Email: [**]

Exhibit 10.8

SUBSCRIPTION AGREEMENT

This Subscription Agreement (this "**Agreement**") has been entered into by and between the purchaser set forth on the Omnibus Signature Page hereof (the "**Purchaser**") and Olivia Ventures, Inc. (to be renamed "Compass Therapeutics, Inc." upon consummation of the Merger (as defined below)), a Delaware corporation (the "**Company**") in connection with the private placement offering (the "**Offering**") by the Company.

RECITALS

A. The Company is offering a minimum of 10,000,000 shares of the Company's common stock, par value $0.0001 per share ("**Common Stock**"), at a purchase price of $5.00 per share (the "**Per Share Purchase Price**"), for an aggregate purchase price of approximately $50,000,000 (the "**Minimum Offering Amount**"), and a maximum of 14,000,000 shares of Common Stock at the Per Share Purchase Price for an aggregate purchase price of approximately $70,000,000 (the "**Maximum Offering Amount**"). The Company may also sell an additional 2,000,000 shares of Common Stock at the Purchase Price for an aggregate Purchase Price of approximately $10,000,000 to cover over-subscriptions (the "**Over-Subscription Option**"), in the event the Offering is oversubscribed.

B. The Initial Closing (as defined below) of no less than the Minimum Offering Amount, including the Minimum Insider Investment (as defined below) is contingent upon, and shall be consummated simultaneously with, the closing of a merger in accordance with the terms of that certain Agreement and Plan of Merger, dated as of the date hereof (the "**Merger Agreement**"), by and among the Company, Compass Acquisition Co., a Delaware limited liability company ("**Merger-Sub**") and wholly owned Subsidiary of the Company, Compass Therapeutics, LLC, a Delaware limited liability company ("**Compass**"), BBV International Compass Inc., Biomatics – Compass, Inc., CHI II Blocker LLC and OrbiMed Private Investments V – KA (Blocker), Inc. (the "**Blockers**") and Eight Roads Investments (a Bermuda company), Biomatics Capital Partners, L.P., and Cowen Healthcare Investments II LP, CHI EF II LP, and OrbiMed Private Investments V – KA (Feeder), LP (the "**Blocker Holders**") pursuant to which Merger-Sub will merge with and into Compass, with Compass surviving the merger as a wholly owned Subsidiary of the Company (the "**Merger**") and certain of the Company's wholly-owned subsidiaries (each, a "**Blocker Mergersub**") will merge with and into the applicable Blocker, with each Blocker surviving such merger as a wholly owned Subsidiary of the Company (the "**Blocker Mergers**"), and pursuant to which all of the outstanding equity units of Compass will be cancelled in exchange for shares of the Company's Common Stock, and all outstanding Compass options, warrants and convertible notes, if any, will be either cancelled or assumed by, or exchanged for new options, warrants and convertible notes to acquire Common Stock of, the Company, at the same ratio at which outstanding equity units of Compass are exchanged, with appropriate adjustments to the per share exercise price thereof, and otherwise on their original terms and conditions. The total number of shares of the Company's Common Stock that will be issued to pre-Merger equity holders of Compass or reserved for issuance upon exercise or conversion of pre-Merger warrants and convertible notes of Compass, if any, will be 39,055,638 shares. In addition, as of the Closing, the Company will have an Equity Incentive Plan (the "**EIP**") reserving 2,930,836 shares of Common Stock, covering pre-Merger Compass options to be assumed by, or exchanged for options of, the Company, as well as for the future issuance, at the discretion of the Board of Directors, of options and other incentive awards to officers, key employees, consultants and directors of the Company and its Subsidiaries. The number of shares initially reserved for issuance under the EIP will be increased annually on the first day of each year beginning in 2022, at the discretion of the Board, in an amount equal to four percent (4%) of the shares of stock outstanding (on an as-converted basis) on the last day of the immediately preceding year. Holders of Common Stock of the Company prior to the Merger will retain in the aggregate 1,000,000 shares of Common Stock after the Merger. On or before the consummation of the Merger, the Company will change its name to "Compass Therapeutics, Inc."

C. The Shares (as defined below) subscribed for pursuant to this Agreement have not been registered under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "**Securities Act**") or any state or foreign securities Law. The Offering is being made on a reasonable best efforts basis to "accredited investors," as defined in Regulation D under the Securities Act, in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D. For purposes of this Agreement, "**Law**" or "**Laws**" means any federal, state, local or foreign or provincial statute, law (including, for the avoidance of doubt, any statutory, common, or civil law), ordinance, rule, regulation, order, injunction, decree or agency requirement having the force of law or any undertaking to or agreement with any Governmental Authority.

D. The parties intend to treat the Merger, together with the Initial Closing and the Subsequent Closing, if relevant, as part of a transaction that is described in Section 351(a) of the Internal Revenue Code of 1986, as amended (the "**Code**") to the extent property is exchanged for stock as described therein.

AGREEMENT

The Company and the Purchaser hereby agree as follows:

1. **Subscription**.

(a) Purchase and Sale of the Shares.

(i) Subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase, and the Company agrees to sell and issue to the Purchaser, that number of Shares set forth on the Purchaser's Omnibus Signature Page attached hereto at the Per Share Purchase Price, for a total aggregate purchase price for the Shares as set forth on such Omnibus Signature Page (the "**Purchase Price**"). The minimum subscription amount for each purchaser in the Offering is $25,000 (or 5,000 Shares). The Company may accept subscriptions for less than $25,000 from any purchaser in the Offering in its sole discretion. Current officers, directors, equity holders of Compass and their respective friends and family will purchase a minimum aggregate amount of $20,000,000 of Shares in the Offering (the "**Minimum Insider Investment**"). For the purposes of this Agreement, "**Shares**" means the shares of Common Stock issued and sold to the Purchaser hereunder in the Offering at the Initial Closing (as defined below) and at any Subsequent Closing (as defined below).

(ii) In connection with the Offering, the Company has entered or will enter into other subscription agreements in the same form and containing the same terms and conditions as this Agreement for shares of Common Stock ("**Other Shares**") (each, an "**Other Subscription Agreement**") with purchasers in the Offering other than the Purchaser (collectively, "**Other Purchasers**").

(b) Subscription Procedure; Closing.

(i) Initial Closing. Subject to the terms and conditions of this Agreement, the initial closing of the Offering shall take place upon the satisfaction (or waiver as provided herein) of the conditions set forth in Section 5 and Section 6 of this Agreement (other than those conditions that by their nature will be satisfied at the Closing, but subject to the satisfaction (or waiver as provided herein) of such conditions) or at such other time and place as is mutually agreed to by the Company and the Placement Agents (as defined below) contingent upon and simultaneously with the closing of the Merger (the "**Initial Closing**" and the date that the Initial Closing occurs, the "**Initial Closing Date**"). The Company shall provide written notice to the Purchaser of the date of the Initial Closing at least three (3) Business Days prior to the Initial Closing.

(ii) Subsequent Closings. If the Maximum Offering Amount is not sold at the Initial Closing, at any time prior to July 19, 2020, or at such later date as the Company and Placement Agents may mutually agree, subject to the satisfaction (or waiver as provided herein) of the conditions set forth in Section 5 and Section 6 of this Agreement (other than those conditions that by their nature will be satisfied at the Closing, but subject to the satisfaction (or waiver as provided herein) of such conditions) (each a "**Subsequent Closing**" and collectively the "**Subsequent Closings**" and the date that a Subsequent Closing occurs, a "**Subsequent Closing Date**"), the Company may sell additional shares of Common Stock up to the Maximum Offering Amount, and if there are over-subscriptions, additional shares of Common Stock may be sold at the Per Share Purchase Price in connection with the Over-Subscription Option (collectively, the "**Subsequent Closing Shares**") to such persons as may be approved by the Company and who are reasonably acceptable to the Placement Agents, including the Purchaser. Any Subsequent Closing Shares issued and sold to the Purchaser pursuant to this Section 1 (b) (ii) shall be deemed to be "**Shares**" for all purposes under this Agreement. To the extent that any Shares are to be issued and sold to the Purchaser at a Subsequent Closing, the Company shall provide written notice to the Purchaser of the date of any Subsequent Closing at least three (3) Business Days prior to such Subsequent Closing.

The Initial Closing and the Subsequent Closings, if any, shall be known collectively herein as the "**Closings**" or individually as a "**Closing**." The Initial Closing Date and the Subsequent Closing Dates are each referred to herein as a "**Closing Date**". Closings may take place remotely via the exchange by electronic transmission of documents and signatures

(iii) Subscription Procedure. To complete a subscription for the Shares, the Purchaser must fully comply with the subscription procedure provided in subparagraphs (A) through (D) of this paragraph (iii) on or before the applicable Closing Date:

(A) Subscription Documents. At or before the applicable Closing, the Purchaser shall review, complete and execute the Omnibus Signature Page to this Agreement and the Registration Rights Agreement substantially in the form of Exhibit A hereto (the "**Registration Rights Agreement**"**)**, the Selling Securityholder Questionnaire (as defined in the Registration Rights Agreement), the Investor Profile, Anti-Money Laundering Form and Accredited Investor Certification, attached hereto following the Omnibus Signature Page (collectively, the "**Subscription Documents**"), and deliver the Subscription Documents to the party indicated thereon at the address set forth under the caption "*How to subscribe for Shares in the private offering of Olivia Ventures, Inc.*" below. Executed documents may be delivered to such party by facsimile or .pdf sent by electronic mail (e-mail).

(B) Purchase Price. At or before the applicable Closing, the Purchaser shall deliver to Delaware Trust Company, in its capacity as escrow agent (the "**Escrow Agent**"), under an escrow agreement among the Company, Compass, the Placement Agents (as defined below) and the Escrow Agent (the "**Escrow Agreement**") the full Purchase Price (less the amount of any Transaction Expenses, if applicable) set forth on the Purchaser's Omnibus Signature Page attached hereto, by certified or other bank check or by wire transfer of immediately available funds, pursuant to the instructions set forth under the caption "*How to subscribe for Shares in the private offering of Olivia Ventures, Inc.*" below. Such funds will be held for the Purchaser's benefit in the escrow account established for the Offering (the "**Escrow Account**"), without interest or offset.

(C) Termination. This Agreement shall terminate automatically and be of no further force and effect, and any amounts deposited into the Escrow Account by or on behalf of the Purchaser shall be returned to the Purchaser or its designee promptly, without interest or offset, if (i) the Purchaser and the Company agree in writing to terminate this Agreement prior to the applicable Closing, (ii) the subscription has been revoked in full by the Purchaser in accordance with Section 8, (iii) in the Purchaser's sole and absolute discretion, upon written notice to the Company, if the Initial Closing does not occur on or prior to June 26, 2020; (iv) in the Purchaser's sole and absolute discretion, upon written notice to the Company, if any representation or warranty of the Company set forth in Section 3 hereof shall be or shall have become inaccurate or the Company shall have breached or failed to perform any of its covenants or other agreements set forth in this Agreement, which inaccuracy, breach or failure to perform would give rise to the failure to satisfy any of the conditions set forth in Section 6(a) or Section 6(b) of this Agreement and which inaccuracy, breach or failure to perform cannot be cured by the Company or, if capable of being cured, is not cured within two (2) Business Days of the Purchaser's notice to the Company thereof; or (v) the Merger Agreement is terminated pursuant to its terms. The Company shall promptly (and in any event within one (1) Business Day) provide the Purchaser with written notice of the termination of the Merger Agreement.

(D) Company Discretion. The Purchaser understands and agrees that, prior to the execution and delivery of this Agreement by the Company, the Company in its sole discretion reserves the right to accept or reject this subscription for Shares, in whole or in part. The Company and the Purchaser shall have no obligation hereunder until the Company shall execute and deliver to the Purchaser an executed copy of this Agreement.

2. **Placement Agents**. Raymond James & Associates, Inc., B. Riley FBR, Inc. and Katalyst Securities LLC (the "**Placement Agents**"), each a U.S.-registered broker-dealer, have been engaged by the Company as placement agents, on a reasonable best efforts basis, for the Offering. The Placement Agents, collectively, will be paid at each Closing from the Offering proceeds a total cash commission of eight percent (8.0%) of the gross Purchase Price paid by the Purchaser and the gross aggregate purchase price paid by all Other Purchasers in the Offering (the "**Cash Fee**"). The Company will also pay certain expenses of the Placement Agents in connection with the Offering. Any sub-agent of the Placement Agent that introduces investors to the Offering will be entitled to share in the Cash Fee attributable to those investors pursuant to the terms of an executed sub-agent agreement.

3. **Representations and Warranties of the Company**. Except (i) as set forth in the Disclosure Schedule delivered to the Purchaser concurrently with the execution of this Agreement (the "**Disclosure Schedule**"), or (ii) as disclosed in the substantially complete draft of the Current Report on Form 8-K describing the Merger, the Offering and the related transactions, including "Form 10 information" (as defined in Rule 144(i)(3) under the Securities Act), to be filed by the Company with the Securities and Exchange Commission (the "**SEC**") within four (4) Business Days (as defined below) after the closing of the Merger and the initial Closing of the Offering (the "**Super 8-K**") delivered to the Purchaser in accordance with the terms of this Agreement (the "**Draft Super 8-K**") (but excluding any disclosures (whether contained under the heading "Risk Factors," in any "forward-looking statements" disclaimer or in any other section) to the extent they are cautionary, predictive or forward-looking in nature), the Company hereby represents and warrants to the Purchaser, as of the date hereof and as of each applicable Closing Date, the following (provided that, as used in this Section 3, the term "Subsidiaries" shall be construed to include Compass in each case):

(a) Organization and Qualification. The Company and each of its Subsidiaries is a corporation or limited liability company, as the case may be, duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation, and has the requisite corporate or limited liability company power to own, lease and operate its properties and to carry on its business as currently conducted and as described in the Super 8-K. The Company and each of its Subsidiaries is duly qualified as a foreign corporation or limited liability company, as the case may be, to do business and is in good standing in every jurisdiction in which the nature of the business as currently conducted and as described in the Super 8-K makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. For purposes of this Agreement, "**Material Adverse Effect**" means any event, circumstance, development, condition, occurrence, state of facts, change or effect that, individually or in the aggregate with any other event, circumstance, development, condition, occurrence, state of facts, change or effect, has or would reasonably be expected to (x) prevent or materially delay or materially impair the ability of the Company or its Subsidiaries to carry out its obligations under this Agreement or (y) have any material adverse effect on the business, properties, assets, liabilities, operations or condition (financial or otherwise), results of operations or future prospects of the Company and its Subsidiaries, taken as a whole; provided, however, that for purposes of clause (y), none of the following shall be deemed in themselves, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or would reasonably be expected to have a "Material Adverse Effect": (i) general financial, credit, capital market or regulatory conditions or any changes therein (provided, however, that such effects do not affect the and its Subsidiaries taken as a whole disproportionately as compared to the Company's competitors), (ii) any effects alone or in combination that arise out of, or result from, directly or indirectly from the announcement, pendency, execution or performance of this Agreement, the transactions contemplated hereby or any action contemplated by this Agreement, (iii) acts of God, war (whether or not declared), disease, including the COVID 19 pandemic, the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity or any material worsening of such conditions (provided, however, that such changes do not affect the Company or its Subsidiaries disproportionately as compared to the Company's competitors), (iv) any matter disclosed in the Disclosure Schedule or the draft of the Super 8-K (excluding any disclosures (whether contained under the heading "Risk Factors," in any "forward looking statements" disclaimer or in any other section) to the extent they are cautionary, predictive or forward-looking in nature); (v) any failure by the Company or its Subsidiaries to meet any projections, budgets or estimates of revenue or earnings (it being understood that the facts giving rise to such failure may be taken into account in determining whether there has been a Material Adverse Effect (except to the extent such facts are otherwise excluded from being taken into account by this proviso)), (vi) changes affecting the industry generally in which the Company or its Subsidiaries operates (provided, however, that such changes do not affect the Company or its Subsidiaries disproportionately as compared to the Company's competitors), or (vii) changes in Law or GAAP (provided, however, that such changes do not affect the Company or its Subsidiaries disproportionately as compared to the Company's competitors). For purposes of this Agreement, "**Subsidiary**" means, with respect to the Company, any corporation, partnership, limited liability company, joint venture or other legal entity of any kind of which (i) 50% or more of the capital stock or other equity interests or voting power are, directly or indirectly, controlled, owned or held by, or (ii) that is, at the time any determination is made, controlled (whether by voting power, Contract or otherwise) by, in each case, the Company (either alone or through or together with one or more of its other Subsidiaries); provided, that for all purposes of the representations and warranties of the Company set forth in this Agreement, whether made as of the date hereof or as of the applicable Closing Date, Compass and its Subsidiaries shall be deemed to be Subsidiaries of the Company regardless of whether the Merger has been consummated.

(b) Authorization, Enforcement, Compliance with Other Instruments. (i) The Company and each of its Subsidiaries party thereto has the requisite corporate or limited liability company power and authority to enter into and perform its obligations under this Agreement, the Registration Rights Agreement, the Escrow Agreement and the Merger Agreement (collectively with all other documents, certificates or instruments executed and delivered in connection with the transactions contemplated hereby or thereby, the "**Transaction Documents**") and to consummate the transactions contemplated thereby, including to issue the Shares, in accordance with the terms hereof and thereof; (ii) the execution and delivery by the Company and each of its Subsidiaries party thereto of each of the Transaction Documents and the consummation by it of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Shares, have been, or will be at the time of execution of such Transaction Document, duly authorized by the Board of Directors or other applicable governing body of the Company or such Subsidiary, and no further action, proceeding, consent, waiver or authorization is, or will be at the time of execution of each such Transaction Document, required by or from the Company or any such Subsidiary, its respective Board of Directors or other governing body or its respective stockholders or equityholders; (iii) this Agreement has been, and at the Closing each of the other Transaction Documents will be when delivered at the Closing, duly executed and delivered by the Company and each of its Subsidiaries party thereto; and (iv) this Agreement and the other Transaction Documents, when delivered at the Closing or at the closing of the Merger, as applicable, will constitute the valid and binding obligations of the Company and its Subsidiaries party thereto enforceable against the Company and its Subsidiaries party thereto in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies and, with respect to any rights to indemnity or contribution contained in the Transaction Documents, as such rights may be limited by state or federal laws or public policy underlying such laws.

(c) Capitalization. As of the date hereof and without giving effect to the Merger, the authorized capital stock of the Company consists of 50,000,000 shares of Common Stock and 5,000,000 shares of preferred stock, par value $0.0001 per share (the "**Preferred Stock**") and there are 1,000,000 shares of Common Stock outstanding and no shares of Preferred Stock outstanding. Immediately following the effective time of the Merger, but immediately before the Initial Closing, the authorized capital stock of the Company will consist of 300,000,000 shares of Common Stock and 10,000,000 shares of Preferred Stock and the Company will have 40,055,638 shares of Common Stock issued and outstanding and no shares of Preferred Stock issued and outstanding. All of the outstanding shares of Common Stock and of the capital stock of each of the Company's Subsidiaries have been duly authorized, validly issued and are fully paid and non-assessable and free of preemptive or similar rights and other Liens. All of the issued and outstanding capital stock of each Subsidiary of the Company are owned, directly or indirectly, by the Company, free and clear of any Liens. Immediately after giving effect to the Merger and the Closing of the Minimum Offering Amount or the Maximum Offering Amount (in each case, assuming no sales pursuant to the Over-Subscription Option), the pro forma outstanding capitalization of the Company will be as set forth under "**Pro Forma Capitalization**" in **Schedule 3c**. Immediately after giving effect to the Merger and the Closing: (i) no shares of capital stock of the Company or any of its Subsidiaries will be subject to preemptive rights or any other similar rights or any Liens suffered or permitted by the Company; (ii) except as set forth on **Schedule 3c(ii)**, there will be no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible, exercisable or exchangeable into, any shares of capital stock of the Company or any of its Subsidiaries, or any Contracts by which the Company or any of its Subsidiaries is or may become bound or pursuant to which the Company or any of its Subsidiaries is otherwise obligated to issue additional shares of capital stock of the Company or any of its Subsidiaries; (iii) there will be no outstanding debt securities of the Company or any of its Subsidiaries other than indebtedness as set forth in **Schedule 3c(iii)**; (iv) other than pursuant to the Registration Rights Agreement or as set forth in **Schedule 3c(iv)**, there will be no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the Securities Act; (v) there will be no outstanding registration statements of the Company or any of its Subsidiaries, other than pursuant to the Registration Rights Agreement; (vi) except as set forth in **Schedule 3c(vi)**, there will be no securities or instruments of the Company or any of its Subsidiaries containing anti-dilution or similar provisions, including the right to adjust the exercise, exchange or reset price under such securities, that will be triggered by the issuance of the Shares as described in this Agreement; (vii) no co-sale right, right of first refusal or other similar right will exist with respect to the Shares or the issuance and sale thereof and (viii) no shares of Common Stock shall be reserved for issuance, other than 2,930,836 shares of Common Stock reserved for issuance under the EIP. The Company has made available to the Purchaser true and correct copies of the Company's Certificate of Incorporation, as in effect as of the Initial Closing, and the Company's Bylaws, as in effect as of the Initial Closing, and the terms of all securities exercisable for Common Stock and the material rights of the holders thereof in respect thereto other than stock options issued to officers, directors, employees and consultants. Except for the interests in the Company's Subsidiaries, neither the Company nor any of its Subsidiaries owns any equity interest or other interest of any nature in, or any interest convertible, exchangeable, or exercisable for, equity interests or other interests of any nature in any other person.

(d) Issuance of Shares. The Shares that are being issued to the Purchaser hereunder, when issued, sold and delivered in accordance with the terms and upon payment the consideration set forth in this Agreement, will be duly and validly issued, fully paid and non-assessable, and free of preemptive or similar rights, Taxes and other Liens with respect to the issuance thereof, and restrictions on transfer other than restrictions on transfer under the Transaction Documents, applicable state and federal securities Laws and Liens created by or imposed by the Purchaser. Assuming the accuracy of each of the representations and warranties of the Purchaser herein, the offer, issuance and sale by the Company of the Shares is exempt from registration under the Securities Act.

(e) No Conflicts. The execution, delivery and performance of each of the Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby, including issuance and sale of the Shares in accordance with this Agreement, have not and will not (i) result in a violation of the Certificate of Incorporation or the Bylaws (or equivalent constitutive document) of the Company or any of its Subsidiaries; (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Company or any Subsidiary is a party, except for those which would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole, or (iii) result in a violation of any Law applicable to the Company or any Subsidiary or by which any property or asset of the Company or any Subsidiary is bound or affected, except for those which would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole. Neither the Company nor any Subsidiary is in violation of or in default under, any provision of its Certificate of Incorporation or Bylaws or any other constitutive documents. Neither the Company nor any Subsidiary is in violation of any term of or in default under any Contract, judgment, decree or order or any Law applicable to the Company or any Subsidiary, which violation or breach has been or would reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable state securities Laws, neither the Company nor any of its Subsidiaries is required to obtain any Authorization of, or provide any notice to or make any filing or registration with, any Governmental Authority in order for it to execute, deliver or perform any of its obligations under or contemplated by this Agreement or the other Transaction Documents in accordance with the terms hereof or thereof, other than (i) the filings required pursuant to Section 10(k), (ii) the filing of the registration statement contemplated by the Registration Rights Agreement and (iii) the filing of a Notice of Exempt Offering of Securities on Form D with the SEC under Regulation D. Except as set forth on **Schedule 3e**, neither the execution and delivery by the Company of the Transaction Documents, nor the consummation by the Company of the transactions contemplated hereby or thereby, will require any notice, consent or waiver under any Contract to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound or to which any of their assets or businesses is subject, except for any notice, consent or waiver the absence of which would not reasonably be expected, individually or in the aggregate, to be material to the business of the Company and its Subsidiaries, taken as a whole. All notices, consents, authorizations, orders, filings and registrations which the Company or any of its Subsidiaries is required to deliver or obtain pursuant to the preceding two sentences have been or will be delivered or obtained or effected, and shall remain in full force and effect, on or prior to the Closing.

(f) Absence of Litigation. Except as set forth on **Schedule 3f**, there is no, and since the date that is two (2) years prior to the date hereof (the "**Lookback Date**") there has not been any, action, suit, claim, inquiry, notice of violation, arbitration, petition, charge, citation, summons, subpoena, proceeding (including any partial proceeding such as a deposition) or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity, before or by any Governmental Authority (an "**Action**") pending or threatened in writing or, to the knowledge of the Company, threatened orally, against or affecting the Company or any of its Subsidiaries or any of their respective officers or directors or any of their respective assets or businesses, which has or would be reasonably likely to (i) adversely affect the validity or enforceability of, or the authority or ability of the Company to perform its obligations under, this Agreement or any of the other Transaction Documents or (ii) be material to the business of the Company and its Subsidiaries, taken as a whole. For the purpose of this Agreement, the knowledge of the Company means the knowledge of the officers of the Company (for the avoidance of doubt, after giving effect to the Merger) and Compass, in each case, both actual or knowledge that they would have had upon reasonable inquiry of the personnel of the Company or Compass, as applicable responsible for the applicable subject matter. Neither the Company nor any of its Subsidiaries is, and since the Lookback Date has not been, subject to any judgment, decree, or order which has been, or would reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole.

(g) Acknowledgment Regarding Purchaser's Purchase of the Shares. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that the Purchaser are not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchase of the Shares.

(h) No General Solicitation. Neither the Company, nor any of its Affiliates (as defined below), nor, to the knowledge of the Company, any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Shares. "**Affiliate**" means, with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person, as such terms are used in and construed under Rule 144 under the Securities Act ("**Rule 144**"). With respect to the Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as the Purchaser will be deemed to be an Affiliate of the Purchaser.

(i) No Integrated Offering. Neither the Company, nor any of its Affiliates, nor to the knowledge of the Company, any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would eliminate the availability of the exemption from registration under Regulation D or afforded by Section 4(a)(2) of the Securities Act in connection with the Offering of the Shares contemplated hereby or cause this Offering of the Shares to be integrated with prior offerings by the Company for purposes of the Securities Act.

(j) Employee Relations. Since the Lookback Date, there has been no actual or threatened in writing, or to the knowledge of the Company, threatened orally, labor dispute, work stoppage, request for representation, union organizing activity, or unfair labor practice charges involving the employees of the Company or any of its Subsidiaries. Neither Company nor any Subsidiary is party to any collective bargaining agreement. The Company's and/or its Subsidiaries' employees are not members of any union, and the Company believes that its and its Subsidiaries' relationship with their respective employees is good.

(k) Intellectual Property Rights. Except as set forth on **Schedule 3k**, the Company and each of its Subsidiaries exclusively owns, possesses, or has valid and enforceable rights to use, license, and exploit all Intellectual Property used in, necessary or advisable for the conduct of the Company's and its Subsidiaries' business as currently conducted and as described in the Super 8-K, except for a failure to own, possess or have such rights that would not reasonably be expected to result in a Material Adverse Effect. There are no unreleased liens or security interests which have been filed, or which the Company has received notice of, against any of the Intellectual Property owned by the Company. All Intellectual Property owned by the Company or its Subsidiaries, and all Contracts pursuant to which the Company or its Subsidiaries license Intellectual Property, are valid and enforceable, and the Company and its Subsidiaries are in full compliance with all such Contracts except as would not reasonably be expected to result in a Material Adverse Effect. Furthermore, except as has not been and would not reasonably be expected to result in a Material Adverse Effect, since the Lookback Date: (A) to the Company's knowledge, there has been no infringement, misappropriation or violation by third parties of any such Intellectual Property of the Company or its Subsidiaries; (B) there has been no Action pending or threatened in writing (or to the Company's knowledge, threatened orally) by others challenging the Company's or any of its Subsidiaries' ownership of or any rights in or to any such Intellectual Property; (C) the Intellectual Property owned by the Company and its Subsidiaries and, to the Company's knowledge, the Intellectual Property licensed to the Company and its Subsidiaries, has not been adjudged invalid or unenforceable, in whole or in part, and there has been no Action pending or threatened in writing (or to the Company's knowledge, threatened orally) by others challenging the validity, enforceability or scope of any such Intellectual Property; (D) there has been no Action pending or threatened in writing (or to the Company's knowledge, threatened orally) by others that the Company or any of its Subsidiaries infringes, misappropriates or otherwise violates any Intellectual Property or other proprietary rights of others, and neither the Company nor any of its Subsidiaries has received any written notice of such Action; and (E) to the Company's knowledge, no employee of the Company or any of its Subsidiaries has violated any term of any employment Contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company or any of its Subsidiaries or actions undertaken by the employee while employed with the Company or any of its Subsidiaries. The Company and its Subsidiaries have complied in all material respects with 37 C.F.R. Section 1.56. The consummation of the transactions contemplated hereby or by the other Transaction Documents will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company or any of its Subsidiaries' right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the Company's and its Subsidiaries' business as currently conducted and as described in the Super 8-K, except as would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole. The rights of the Company and each of its Subsidiaries in their Intellectual Property are valid, subsisting and enforceable, except as would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole. The Company and each of its Subsidiaries has taken reasonable steps to maintain their Intellectual Property and to protect and preserve the confidentiality of all of their Trade Secrets. To the Company's knowledge, there has not been any disclosure or access to any Trade Secrets of the Company and each of its Subsidiaries by any unauthorized person. The Company and each of its Subsidiaries have taken and continue to take commercially reasonable measures, at least consistent with prevailing industry practice, to ensure that all personal information in their possession, custody or control is protected against loss and against unauthorized, access, use, modification, disclosure or other misuse. "**Intellectual Property**" shall mean any and all rights title and interest in, arising out of, or associated with any intellectual or intangible property, whether protected, created or arising in any jurisdiction throughout the world, including the following: (a) issued patents and patent applications (whether provisional or non-provisional), including divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and other Governmental Authority (as defined below) issued indicia of invention ownership (including certificates of invention, petty patents, and patent utility models) ("**Patents**"); (b) trademarks, service marks, brands, certification marks, logos, trade dress, slogans, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing ("**Trademarks**"); (c) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing ("**Copyrights**"); (d) internet domain names and social media account or user names (including "**handles**"), whether or not Trademarks, all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto, whether or not Copyrights; (e) mask works, and all registrations, applications for registration, and renewals thereof; (f) industrial designs, and all Patents, registrations, applications for registration, and renewals thereof; (g) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein ("**Trade Secrets**"); (h) computer programs, operating systems, applications, firmware and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof; (i) rights of publicity; and (j) all other intellectual or industrial property and proprietary rights.

(l) Environmental Laws.

(i) Except as would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole: (x) the Company and each Subsidiary is in compliance and has complied with all applicable Environmental Laws (as defined below); (y) the Company or its applicable Subsidiary is in possession of all Authorizations required pursuant to Environmental Laws to conduct their respective businesses as currently conducted and as described in the Super 8-K and (z) the Company or its applicable Subsidiary is in material compliance with all terms and conditions of such Authorizations. There is no Action pending or threatened in writing (or to the Company's knowledge, threatened orally) relating to any violation or noncompliance with any Environmental Law involving the Company or any Subsidiary. For purposes of this Agreement, "**Environmental Law**" means any national, state, provincial or local Law, statute, rule or regulation or the common law relating to the environment or occupational health and safety, including without limitation any statute, regulation, administrative decision or order pertaining to (A) treatment, storage, disposal, generation and transportation of Hazardous Substances; (B) air, water and noise pollution; (C) groundwater and soil contamination; (D) the release or threatened release into the environment of industrial, toxic or hazardous materials or substances, or solid or hazardous waste, including without limitation emissions, discharges, injections, spills, escapes or dumping of pollutants, contaminants or chemicals; (E) the protection of wild life, marine life and wetlands, including without limitation all endangered and threatened species; (F) storage tanks, vessels, containers, abandoned or discarded barrels, and other closed receptacles; (G) health and safety of employees and other persons; and (H) manufacturing, processing, using, distributing, treating, storing, disposing, transporting or handling of Hazardous Substances. As used above, the terms "release" and "environment" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

(ii) None of the Company or any of its Subsidiaries has any liability or obligation under any Environmental Law with respect to any release, spill, emission, leaking, pumping, pouring, emptying, leaching, escaping, dumping, injection, deposit, discharge or disposing of any Hazardous Substance in, onto or through the environment, except as would not reasonably be expected to have a Material Adverse Effect. "**Hazardous Substances**" means all materials, wastes, or substances defined by, or regulated under, any Environmental Laws, including as a hazardous waste, hazardous material, hazardous substance, extremely hazardous waste, restricted hazardous waste, contaminant, pollutant, toxic waste, or toxic substance, and specifically including petroleum and petroleum products, asbestos, radon, lead, toxic mold, radioactive materials, and polychlorinated biphenyls.

(m) Authorizations; Regulatory Compliance. The Company and each of its Subsidiaries holds, and is operating in compliance with, all authorizations, licenses, permits, approvals, clearances, registrations, exemptions, consents, certificates, waivers, filings, qualifications and orders of the U.S. Food and Drug Administration ("**FDA**"), its foreign counterparts and any other entity or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to United States federal, state or local government or foreign, international, multinational or other governmental, including any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial or arbitral authority thereto (including attorneys general, tribunals, bureaus and quasi-governmental entities) (each a "**Governmental Authority**") and supplements and amendments thereto (collectively, "**Authorizations**") required for the conduct of its business as currently conducted and as described in the Super 8-K, or that are otherwise material to the business of the Company and its Subsidiaries, in all applicable jurisdictions, except as would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole. All Authorizations held by the Company or its Subsidiaries are valid and in full force and effect. Neither the Company nor any of its Subsidiaries is in material violation of any terms of any such Authorizations; and neither the Company nor any of its Subsidiaries has received written notice from any Governmental Authority of any revocation or modification of any such Authorization, or written notice (or to the Company's knowledge, oral notice) that such revocation or modification is being considered, except to the extent that any such revocation or modification would not be reasonably expected to be material to the business of the Company and its Subsidiaries, taken as a whole. The Company and each of its Subsidiaries is in compliance, and has since the Lookback Date been in compliance, with all applicable federal, state, local and foreign Laws, including such Laws applicable to the manufacture, distribution, import and export of regulated products and component parts and ingredients, except as would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole. Neither the Company nor any of its Subsidiaries has received any Form FDA 483, warning letter, untitled letter or other correspondence or written notice from any Governmental Authority, alleging or asserting noncompliance with the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.) ("**FDCA**") or comparable foreign Laws. Neither the Company nor any of its Subsidiaries has been notified, either orally or in writing, by any Governmental Authority that a clinical study has been put on hold or may be put on hold. The Company and each of its Subsidiaries, and to the Company's knowledge, each of their respective directors, officers, employees and agents, is and has been in material compliance with applicable health care Laws, including, to the extent applicable, without limitation, the FDCA, the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (42 U.S.C. § 17921 et seq.), and the regulations promulgated pursuant to such Laws, and comparable state Laws and foreign Laws (collectively, "**Health Care Laws**"). Neither the Company nor any of its Subsidiaries has received written notice (or to the Company's knowledge, oral notice) of any ongoing claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any Governmental Authority or third party alleging that any product operation or activity is in material violation of any Health Care Laws or any Authorizations. The Company and each of its Subsidiaries has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments thereto as required by any Health Care Laws or any Authorizations and all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete, correct and not misleading on the date filed in all material respects (or were corrected or supplemented by a subsequent submission). Neither the Company nor any of its Subsidiaries has, either voluntarily or involuntarily, initiated, conducted, or issued or caused to be initiated, conducted or issued, any other notice or action relating to any alleged product defect or violation and, to the Company's knowledge, no third party has initiated or conducted any such notice or action relating to any of the Company's products in development. Neither the Company nor any of its Subsidiaries is a party to any corporate integrity agreement, deferred prosecution agreement, monitoring agreement, consent decree, settlement order, or similar agreements, or has any reporting obligations pursuant to any such agreement, plan or correction or other remedial measure entered into with any Governmental Authority.

(n) Title. Neither the Company nor any of its Subsidiaries owns any real property. Except as set forth on **Schedule 3n**, each of the Company and its Subsidiaries has good and marketable title to all of its personal property and other tangible assets (i) purportedly owned or used by them as reflected in the SEC Reports, as of their respective dates, or (ii) necessary for the conduct of their business as currently conducted and as described in the Super 8-K, free and clear of any legal or equitable, specific or floating, lien (statutory or otherwise), restriction, mortgage, deed of trust, pledge, lien, security interest, restrictive covenant, or other adverse right, charge, claim or encumbrance of any kind or nature whatsoever (collectively, "**Liens**"), except for Liens which would not reasonably be expected to have a Material Adverse Effect. Except as set forth on **Schedule 3n**, with respect to properties and assets it leases, each of the Company and its Subsidiaries is in compliance with such leases and holds a valid leasehold interest free of any Liens, except for such Liens which would not reasonably be expected to have a Material Adverse Effect.

(o) Tax Status. The Company and each Subsidiary has timely made and filed (taking into account any valid extensions) all federal and state income and all other material returns, declarations, reports, elections, designations, or information returns or statements relating to Taxes, including any schedules or attachments thereto and any amendments thereof (collectively, "**Tax Returns**") required to be made or filed by it or with respect to it by any jurisdiction to which it is subject. Such Tax Returns accurately reflect, in all material respects, the Tax liabilities of the Company and its Subsidiaries (other than Taxes not yet due and payable). The Company and each Subsidiary has timely paid all income Taxes and all other material Taxes and other material governmental assessments and material charges, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and for which the Company and its Subsidiaries have adequately reserved and accrued for in accordance with GAAP and has reserved and accrued on its books provisions in accordance with GAAP that are reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid Taxes in any material amount claimed to be due from the Company or any Subsidiary by the taxing authority of any jurisdiction, and to the Company's knowledge, there is no basis for any such claim. There are no, and since the Lookback Date there have been no, pending or threatened in writing (or to the Company's knowledge, threatened orally) Actions by the taxing authority of any jurisdiction against the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries is a party to, or otherwise bound by, any Tax indemnity, Tax sharing or Tax allocation agreement (but not including any agreement whose primary subject matter is not Taxes) (a "**Tax Agreement**"). The Company is not a "United States real property holding corporation" within the meaning of Section 897(c) of the Code. For purposes of this Agreement, "**Tax**" or "**Taxes**" means (i) any and all U.S. federal, state, local, or non-U.S. taxes, assessment, levy or other charges, including net or gross income, gross receipts, net proceeds, estimated, sales, use, ad valorem, value added, franchise, license, withholding, payroll, employment, excise, property (including both real and personal), unclaimed property remittance/escheat, deed, stamp, alternative or add-on minimum, occupation, severance, unemployment, social security, workers' compensation, capital, premium, windfall profit, environmental, custom duties, fees, transfer and registration taxes, and any governmental charges in the nature of a tax imposed by a Governmental Authority, (ii) any liability for the payment of any amounts of any of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of such amounts was determined or taken into account with reference to the liability of any other person and (iii) any liability for the payment of any amounts as a result of being a party to any Tax Agreement.

(p) Certain Transactions. None of the direct or indirect equityholders, stockholders, controlling persons, partners, managers, members, officers, directors, employees, general or limited partners or assignees (each, a "**Related Party**") of the Company or any Subsidiary is presently, or has since the Lookback Date been, a party to any Contract or transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any Contract providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner. All transactions that would be required to be disclosed by the Company pursuant to Item 404 of Regulation S-K promulgated under the Securities Act are disclosed in the SEC Reports (or are disclosed in the Draft Super 8-K and will be disclosed in the Super 8-K) in accordance with Item 404 of Regulation S-K.

(q) Rights of First Refusal. Except as set forth on **Schedule 3q**, the Company is not obligated to offer the securities offered hereunder on a right of first refusal basis or otherwise to any third parties including, but not limited to, current or former stockholders of the Company, underwriters, brokers, agents or other third parties.

(r) Insurance. The Company and its Subsidiaries have insurance policies of the type and in amounts customarily carried by organizations conducting businesses or owning assets similar to those of the Company and its Subsidiaries, and in any event maintain insurance policies in amounts as required by applicable Law or any Contract to which the Company or its Subsidiaries is a party or to which any of its assets or businesses is subject. All such insurance policies are in full force and effect and binding and enforceable in accordance with their terms, and all premiums due and payable thereon have been timely paid in full. Neither the Company nor any of its Subsidiaries is in default with respect to its obligations under any such insurance policy, nor has there been any failure to give any notice or present any claim under any such insurance policy in due and timely fashion except as would not, individually or in the aggregate, reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole. There is no material claim pending under any such policy as to which coverage has been questioned, denied or disputed by the underwriter of such policy and there has been no notice of cancellation of nonrenewal of any such insurance policy received by the Company or any of its Subsidiaries. Since the Lookback Date, no limits on any insurance policy of the Company or any of its Subsidiaries have been exhausted, materially eroded or materially reduced.

(s) SEC Reports. The Company has timely filed or furnished , as applicable, all reports, proxy statements, schedules, forms, statements, certifications and other documents (including exhibits and all other information incorporated by reference therein) required to be filed or furnished by the Company under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "**Exchange Act**") (together with the Super 8-K, the "**SEC Reports**") since the Lookback Date (or such shorter period since the Company was first required by Law or regulation to file such material). The Draft Super 8-K will not materially deviate from the Super 8-K as filed with the SEC. The Draft Super 8-K complies, the Super 8-K when filed will comply, and the other SEC Reports at the time they were filed complied, in all material respects with the Securities Act or the Exchange Act, as applicable. There are no Contracts that are required to be described in the SEC Reports and/or to be filed as exhibits thereto that were not described, in all material respects, and/or filed as required. There has not been any material change or amendment to, or any waiver of any material right under, any such Contract that has not been described in and/or filed as an exhibit to the SEC Reports. There are no outstanding or unresolved comments in comment letters received from the SEC staff with respect to the SEC Reports. None of the SEC Reports is the subject of an ongoing SEC review. There are no SEC inquiries or investigations, other governmental inquiries or investigations or internal investigations pending or threatened in writing (or, to the Company's knowledge, threatened orally), in each case regarding any accounting practice of the Company.

(t) Financial Statements.

(i) (A) The audited consolidated financial statements of Compass for the fiscal year ended December 31, 2019, the unaudited interim consolidated financial statements of Compass for the quarter ended March 31, 2020 and the unaudited pro forma consolidated financial statements of the Company (after taking into effect the Merger) (including, in each case, the notes thereto) included in the SEC Reports comply in all material respects with GAAP and the rules and regulations of the SEC with respect thereto as in effect at the time of filing and (B) true and complete copies of the consolidated audited financial statements of Compass and its Subsidiaries consisting of the balance sheets of the Company and its Subsidiaries as at December 31, 2017 and December 31, 2018 and the related statements of income and retained earnings, owners' equity and cash flow for the years then ended including, in each case, the notes thereto, have been made available to the Purchaser (the financial statements referenced in the foregoing clauses (i) and (ii), the "**Financial Statements**"). The Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("**GAAP**") applied on a consistent basis during the periods involved and include all adjustments (consisting only of normal recurring accruals) that are necessary for a fair presentation of the consolidated financial condition of the entities or business to which they relate as of the date thereof, subject, in the case of the unaudited interim consolidated financial statements of Compass for the quarter ended March 31, 2020, to normal year-end adjustments that will not, individually or in the aggregate, be material and the absence of notes, and fairly present in all material respects the financial position of Compass and its Subsidiaries taken as a whole, or the Company and its consolidated Subsidiaries taken as a whole, as applicable, as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments that will not, individually or in the aggregate, be material. The pro forma financial information and the related notes, if any, included in the SEC Reports have been properly compiled and prepared in accordance with the applicable requirements of the Securities Act and fairly present in all material respects the information shown therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(ii) The Company (A) maintains a standard system of accounting established and administered in accordance with GAAP and (B) has established and maintains a system of internal controls over financial reporting designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the Financial Statements for external purposes in accordance with GAAP. There (x) are no significant deficiencies or weaknesses in any system of internal accounting controls used by each of the Company's Subsidiaries, (y) has not since the Lookback Date been any fraud or other unlawful act on the part of any of management or other employees of the Company and each of its Subsidiaries who have a role in the preparation of Financial Statements or the internal accounting controls used by the Company and each of its Subsidiaries related to such preparation or controls and (z) has not since the Lookback Date been any claim or allegation regarding any of the foregoing.

(iii) Neither the Company nor any of its Subsidiaries has any liabilities (whether accrued, absolute, contingent or otherwise) other than (A) liabilities disclosed on the audited balance sheet (including the notes thereto) or the interim balance sheet (including the notes thereto) and (B) liabilities that have been incurred since the date of the latest balance sheet of the Company and the latest balance sheet of Compass included in the Financial Statements in the ordinary course of business, which liabilities, individually or in the aggregate, are not material to the business of the Company and its Subsidiaries (taken as a whole).

(u) Material Changes. Except for the transactions contemplated hereby or in the Merger Agreement, since the date of the latest balance sheet of the Company and the latest balance sheet of Compass included in the financial statements contained within the SEC Reports, except as set forth on **Schedule 3(u)**, (i) there have been no events, occurrences or developments that have had or would reasonably be expected to have a Material Adverse Effect with respect to the Company or Compass, (ii) there have not been any changes in the assets, financial condition, business or operations of the Company or Compass from that reflected in the financial statements contained within the SEC Reports except changes in the ordinary course of business which have not been, either individually or in the aggregate, materially adverse to the business, properties, financial condition, results of operations or future prospects of the Company or Compass, (iii) none of the Company or Compass or any of their respective Subsidiaries has altered its method of accounting or the manner in which it keeps its accounting books and records, and (iv) none of the Company or Compass or any of their respective Subsidiaries has declared or made any dividend or distribution of cash or other property to its stockholders or equityholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock (other than in connection with repurchases of unvested stock issued to employees of the Company). The Company and its Subsidiaries, individually and on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at the Initial Closing, will not be Insolvent (as defined below). "**Insolvent**" means, with respect to the Company, on a consolidated basis with its Subsidiaries, (i) the present fair saleable value of the Company's and its Subsidiaries' assets is less than the amount required to pay the Company's and its Subsidiaries' total indebtedness, (ii) the Company and its Subsidiaries are unable to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (iii) the Company and its Subsidiaries intend to incur or believe that they will incur debts that would be beyond their ability to pay as such debts mature.

(v) Disclosure Controls. The Company has established and maintains disclosure controls and procedures (as defined in Rules 13a-14 and 15d-15 under the Exchange Act) and such controls and procedures are effective in ensuring that material information relating to the Company, including its Subsidiaries, is made known to the principal executive officer and the principal financial officer.

(w) Sarbanes-Oxley. The Company is, and has been since the Lookback Date, to the extent applicable, in compliance in all material respects with all of the provisions of the Sarbanes-Oxley Act of 2002 which are applicable to it.

(x) Off-Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company or any Subsidiary and an unconsolidated or other off-balance sheet entity that is required to be disclosed by the Company in its SEC Reports (including, for purposes hereof, any that are required to be disclosed in a Form 10) and is not so disclosed.

(y) Foreign Corrupt Practices. Neither the Company and its Subsidiaries, nor any of their respective directors, managers, officers, agents or employees or other person acting on behalf of the Company or its Subsidiaries, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment or offered anything of value to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any of its Subsidiaries (or, to the Company's knowledge, made by any person acting on their behalf) which is in violation of Law or (iv) violated any applicable anti-terrorism Law or regulation, nor have any of them otherwise taken any action which would reasonably cause the Company or any of its Subsidiaries to be in violation of the Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act of 2010, as amended, or any applicable Law of similar effect.

(z) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, manager, officer, agent, employee or Affiliate of the Company or any Subsidiary is, or is acting under the direction of, on behalf of or for the benefit of a person that is, or is owned or controlled by a person that is, currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

(aa) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering Laws and applicable rules and regulations thereunder (collectively, the "**Money Laundering Laws**"), and no Action by or before any Governmental Authority involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or threatened in writing (or to the Company's knowledge, threatened orally).

(bb) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the Securities.

(cc) Privacy and Data Security.

(i) "**Business Privacy and Data Security Policies**" means all of the Company's or one of its Subsidiaries' present, internal or public-facing policies, notices, and statements concerning the privacy, security, or Processing of Personal Information in the conduct of the Business. "**Personal Information**" means any information that identifies or, alone or in combination with any other information, could reasonably be used to identify, locate, or contact a natural person, including name, street address, telephone number, email address, identification number issued by a Governmental Authority, credit card number, bank information, customer or account number, online identifier, device identifier, IP address, browsing history, search history, or other website, application, or online activity or usage data, location data, biometric data, medical or health information, or any other information that is considered "personally identifiable information," "personal information," or "personal data" under applicable Law, and all data associated with any of the foregoing that are or could reasonably be used to develop a profile or record of the activities of a natural person across multiple websites or online services, to predict or infer the preferences, interests, or other characteristics of a natural person, or to target advertisements or other content to a natural person. "**Privacy Laws**" means all applicable Laws, orders, writs, judgments, injunctions, decrees, stipulations, determinations or awards entered by or with any Governmental Authority, and binding guidance issued by any Governmental Authority concerning the privacy, security, or Processing of Personal Information (including Laws of jurisdictions where Personal Information was collected), including, as applicable, data breach notification Laws, consumer protection Laws, Laws concerning requirements for website and mobile application privacy policies and practices, Social Security number protection Laws, data security Laws, and Laws concerning email, text message, or telephone communications. Without limiting the foregoing, Privacy Laws include the Health Insurance Portability and Accountability Act of 1996, as amended and supplemented by the Health Information Technology for Economic and Clinical Health Act of the American Recovery and Reinvestment Act of 2009, the General Data Protection Regulation (Regulation (EU) 2016/679), and all other similar international, federal, state, provincial, and local Laws. "**Processing**" means any operation performed on Personal Information, including the collection, creation, receipt, access, use, handling, compilation, analysis, monitoring, maintenance, storage, transmission, transfer, protection, disclosure, destruction, or disposal of Personal Information.

(ii) The Company and each of its Subsidiaries, and, to the Company's knowledge, all vendors, processors, or other third parties acting for or on behalf of the Company or any of its Subsidiaries in connection with the Processing of Personal Information or that otherwise have been authorized to have access to Personal Information in the possession or control of the Company or any of its Subsidiaries, comply and at all times since the Lookback Date have complied, with all of the following in the conduct of its business as currently conducted and as disclosed in the Super 8-K: (A) Privacy Laws; (B) rules of self-regulatory organizations; (C) industry standards, guidelines, and best practices; (D) the Business Privacy and Data Security Policies; and (E) all obligations or restrictions concerning the privacy, security, or Processing of Personal Information under any Contract to which the Company or any of its Subsidiaries is a party or otherwise bound as of the date hereof, in each case, except for violations that, individually or in the aggregate, have not been and would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole.

(iii) Neither the consummation of the Merger nor the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, does or will: (A) conflict with or result in a violation or breach of any Privacy Laws or Business Privacy and Data Security Policies (as currently existing or as existing at any time during which any Personal Information was collected or Processed by or for the Company or any of its Subsidiaries in the conduct of its business as now being conducted); or (B) require the consent of or notice to any person concerning such person's Personal Information, in each case, except as has not been and would not reasonably be expected to have a Material Adverse Effect.

(iv) Since the Lookback Date, (A) no Personal Information in the possession or control of the Company or any of its Subsidiaries, or to the Company's knowledge, held or Processed by any vendor, processor, or other third party for or on behalf of the Company or any of its Subsidiaries, in the conduct of its business has been subject to any data or security breach or unauthorized access, disclosure, use, loss, denial or loss of use, alteration, destruction, compromise, or Processing (a "**Security Incident**"), and (B) neither the Company nor any of its Subsidiaries has notified and, to the Company's knowledge, there have been no facts or circumstances that would require the Company or any of its Subsidiaries to notify, any Governmental Authority or other person of any Security Incident in the conduct of its business, in each case, except as has not been and would not reasonably be expected to have a Material Adverse Effect.

(v) Since the Lookback Date, neither the Company nor any of its Subsidiaries has received any notice, request, claim, complaint, correspondence, or other communication in writing (or to the Company's knowledge, orally) from any Governmental Authority or other person, and to the Company's knowledge there has not been any audit, investigation, enforcement action (including any fines or other sanctions), or other Action relating to, any actual, alleged, or suspected Security Incident or violation of any Privacy Law involving Personal Information in the possession or control of the Company or any of its Subsidiaries, or held or Processed by any vendor, processor, or other third party for or on behalf of the Company or any of its Subsidiaries, in the conduct of its business, in each case, except as has not been and would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole.

(vi) In the conduct of its business, the Company and each of its Subsidiaries has at all times since the Lookback Date implemented and maintained, and required all vendors, processors, and other third parties that Process any Personal Information for or on behalf of the Company or any of its Subsidiaries to implement and maintain, all security measures, plans, procedures, controls, and programs, including written information security programs, to (A) identify and address internal and external risks to the privacy and security of Personal Information in their possession or control; (B) implement, monitor, and improve adequate and effective administrative, technical, and physical safeguards to protect such Personal Information and the operation, integrity, and security of its software, systems, applications, and websites involved in the Processing of Personal Information; and (C) provide notification in compliance with applicable Privacy Laws in the case of any Security Incident, in each case, except as has not been and would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole.

(dd) Brokers' Fees. Neither of the Company nor any of its Subsidiaries has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement, except for the payment of fees to the Placement Agents as described in Section 2 above.

(ee) Disclosure Materials. The SEC Reports and the Disclosure Materials, at the time filed or furnished, were (or in the case of the Super 8-K, will be) true and correct in all material respects and did not or will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. For the purposes of this Agreement, "**Disclosure Materials**" means the Confidential and Non-Binding Summary Term Sheet of the Company previously provided to the Purchaser, and any roadshow presentation delivered to the Purchaser in connection with the contemplated purchase of the Shares, each as amended from time to time, relating to the Offering and any supplement or amendment thereto, and any disclosure schedule or other information document, including the Disclosure Schedule, delivered to the Purchaser prior to its execution of this Agreement, and any such document delivered to the Purchaser after its execution of this Agreement and prior to the closing of the Purchaser's subscription hereunder, including the Draft Super 8-K.

(ff) Investment Company. The Company is not required to be registered as, and is not an Affiliate of, and immediately following the Closing will not be required to register as, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(gg) Reliance. The Company acknowledges that the Purchaser is relying on the representations and warranties (as modified by the disclosures on the Disclosure Schedule or the Draft Super 8- K (excluding any disclosures (whether contained under the heading "Risk Factors," in any "forward-looking statements" disclaimer or in any other section) to the extent they are cautionary, predictive or forward-looking in nature) made by the Company hereunder and that such representations and warranties (as modified by the Disclosure Schedule or the Draft Super 8-K (excluding any disclosures (whether contained under the heading "Risk Factors," in any "forward-looking statements" disclaimer or in any other section) to the extent they are cautionary, predictive or forward-looking in nature) are a material inducement to the Purchaser purchasing the Shares. The Company further acknowledges that without such representations and warranties of the Company made hereunder, the Purchaser would not enter into this Agreement with the Company.

(hh) Bad Actor Disqualification. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "**Disqualification Event**") is applicable to the Company or, to the Company's knowledge, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable. "**Company Covered Person**" means, with respect to the Company as an "issuer" for purposes of Rule 506 promulgated under the Securities Act, any person listed in the first paragraph of Rule 506(d)(1). The Company represents that it has exercised reasonable care to determine the accuracy of the representation made by the Company in this paragraph.

(ii) Anti-Dilution. There are no securities or instruments issued by or to which the Company is a party as of the date hereof or as of the Closing containing anti-dilution or similar provisions that will be triggered by the issuance of shares of Common Stock in connection with the Offering or pursuant to any other Subscription Agreement entered into in connection with the Offering that have not been or will not be validly waived on or prior to each Closing Date.

(jj) Other Purchasers. The Company has not entered into any side letter or similar agreement with any Other Purchaser in connection with such Other Purchaser's direct or indirect investment in the Company other than the applicable Other Subscription Agreement. Each Other Purchaser will enter into the applicable Other Subscription Agreement and no other side letters or similar agreements with respect to its investment in the shares of Common Stock in connection with the Offering. Each Other Subscription Agreement is in the same form and contains the same terms and provisions as this Agreement.

(kk) Leased Real Property. There are no pending or, to the knowledge of the Company, any threatened condemnation proceedings, lawsuits or other Actions relating to any real property leased by the Company or any of its Subsidiaries or any of the buildings, structures and facilities located thereon (the "**Leased Real Property**") or other matters affecting adversely the current use, occupancy or value thereof. The Company and its applicable Subsidiaries enjoy quiet possession under all leases for each parcel of Leased Real Property (each, a "**Lease**") and no Leased Real Property under any such Lease is subject to any Lien, easement, right-of-way, building or use restriction, exception, variance, reservation or limitation, as might, in any material respect, interfere with or impair the present and continued use thereof by the Company or its Subsidiaries in the usual and normal conduct of the business of the Company and its Subsidiaries.

(ll) Material Contracts.

(i) "**Material Contracts**" means any written or oral agreement, contract, commitment, arrangement, subcontract, license, sublicense, lease, sublease, sales order, purchase order, indenture, mortgage, note, bond, letter of credit, warrant, instrument, obligation, or understanding (collectively, including all amendments, supplements and modifications thereto, "**Contracts**") to which the Company or any of its Subsidiaries is a party or by which any of their respective assets or businesses are bound:

(A) that is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K promulgated under the Securities Act);

(B) that is a joint venture, alliance, partnership or similar agreement that is material to the operation of the Company and its Subsidiaries, taken as a whole;

(C) that provides for payments to the Company or any of its Subsidiaries or includes future payment obligations of the Company or its Subsidiaries outside of the ordinary course of business, in each case, in excess of $250,000 annually;

(D) that creates a Lien on any material asset of the Company or any of its Subsidiaries;

(E) that evidences indebtedness of the Company or any of its Subsidiaries;

(F) that contains an exclusivity clause that restricts the Company or any of its Subsidiaries or a covenant not to compete in any line of business with any person in any geographical area that restricts the Company or any of its Subsidiaries or that otherwise restricts the Company or any of its Subsidiaries from freely providing products or services to any customer or potential customer, or that restricts the right of the Company or any of its Subsidiaries to sell to or purchase from any other person;

(G) that relates to the acquisition or disposition of any business (whether by merger, sale of stock or assets or otherwise) at any time since the Lookback Date other than those related to the Company's efforts to seek the acquisition of an operating company prior to the acquisition of Compass Therapeutics LLC;

(H) that is with any Related Party of the Company or any of its Subsidiaries;

(I) that grants to the counterparty a right of first refusal, first offer or first negotiation outside of the ordinary course of business of the Company, except for any such preemptive or similar rights in favor of the equityholders of Compass Therapeutics LLC that will be terminated or extinguished in connection with the Merger;

(J) that grants the other party or any third party "most favored nation" status or any similar rights;

(K) that is a Lease;

(L) other than in the ordinary course of business, (i) that grants any person a right to use Intellectual Property of the Company or any of its Subsidiaries or (ii) that grants the Company or any of its Subsidiaries to use the Intellectual Property of another person;

(M) that provides for indemnification to or from any person with respect to liabilities relating to the business of the Company or its Subsidiaries or any former businesses of the Company or its Subsidiaries or any predecessor thereof; or

(N) that is otherwise material to the business of the Company and its Subsidiaries, taken as a whole.

(ii) Each Material Contract is the legal, valid and binding obligation of the Company or one of its Subsidiaries that is a party thereto, and is enforceable against the Company or one of its Subsidiaries, as applicable, and, to the knowledge of the Company, the counterparties, in accordance with its terms, other than, in all cases, Material Contracts that have expired, been terminated or superseded in accordance with their terms following the date hereof. Neither the Company or any of its Subsidiaries, nor to the knowledge of the Company, any counterparty, is in violation, breach or default under any such Contract or has improperly terminated, revoked or accelerated any Material Contract and no event or condition exists or has occurred which, with the giving of notice or the lapse of time or both, would, under any Material Contract, (A) constitute a breach or default by the Company or any of its Subsidiaries, or to the knowledge of the Company, a counterparty, (B) give to the counterparty any rights of termination, acceleration or cancellation of, (C) result in any obligation imposed on the Company or any of its Subsidiaries thereunder or a loss of a benefit in favor of the Company or any of its Subsidiaries thereunder, (D) allow the imposition of any fees or penalties on the Company or any of its Subsidiaries thereunder, require the offering or making of any payment or redemption by the Company or any of its Subsidiaries thereunder or (E) give rise to any increased, guaranteed, accelerated or additional rights or entitlements to the counterparty thereunder, in each case, except for (i) such breaches, defaults and events which would not reasonably be expected to have a Material Adverse Effect, and (ii) any Material Contracts that will expire or terminate in accordance with their terms in connection with or as contemplated by or directly related to the Merger Agreement and the transactions contemplated thereby, including to the extent applicable, Contracts with the stockholders or investors of the Company or any of its Subsidiaries, indemnification agreements with each of their respective directors or officers, employment, consulting agreements or equity award agreements with each of their employees or other service providers. None of the Company or any of its Subsidiaries has received any written notice of the intention of any person to terminate, fail to renew or materially and adversely modify any Material Contract.

(mm) Employee Benefits.

(i) "**Benefit Plan**" means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which the Company is the owner, the beneficiary, or both), Code Section 125 "cafeteria" or "flexible" benefit, employee loan, educational assistance or fringe benefit plan, program, arrangement or agreement, whether written or oral, including, without limitation, any (A) "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder ("**ERISA**") or (B) other employee benefit plans, agreements, programs, policies, arrangements or payroll practices, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transaction contemplated by this Agreement or otherwise), which the Company or any of its Subsidiaries sponsors or maintains for the benefit of its current or former officer, director, employee, leased employee, consultant or agent (or their respective beneficiaries), or with respect to which the Company or any of its Subsidiaries has, or could reasonably be expected to have, any direct or indirect present or future liability.

(ii) Each Benefit Plan has been established, maintained and operated in all respects in accordance with its terms and in compliance with all applicable provisions of applicable Laws, including Section 409A of the Code and the regulations and other guidance issued thereunder, in each case, except as has not been and would not reasonably be expected to have, a Material Adverse Effect. There are no investigations by any Governmental Authority, termination proceedings or other claims (except routine claims for benefits payable under the Benefit Plans) or Actions pending in writing (or to the Company's knowledge, orally) against any Benefit Plan or asserting any rights to or claims for benefits under any Benefit Plan that would reasonably be expected to give rise to any material liability. No non-exempt "prohibited transaction" (within the meaning of Section 406 of ERISA and Section 4975 of the Code) has occurred or is reasonably expected to occur with respect to any Benefit Plan. No Benefit Plan is (A) subject to Section 412 of the Code, Title IV of ERISA or Section 302 of ERISA (including a "multiemployer" plan within the meaning of Section 3(37) of ERISA), (B) a "multiple employer plan" as defined in Section 413(c) of the Code, or (C) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA. No Benefit Plan is subject to the Laws of any jurisdiction other than the United States.

(iii) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall, in connection with any other event(s), (i) result in any payment or benefit becoming due to any current or former employee, contractor or director of the Company or its Subsidiaries or under any Benefit Plan, (ii) increase any amount of compensation or benefits otherwise payable to any current or former employee, contractor or director of the Company or its Subsidiaries or under any Benefit Plan, (iii) result in the acceleration of the time of payment, funding or vesting of any benefits to any current or former employee, contractor or director of the Company or its Subsidiaries or under any Benefit Plan, (iv) limit the right to merge, amend or terminate any Benefit Plan (except any limitations imposed by applicable Law, if any), or (v) give rise to any "excess parachute payment" as defined in Section 280G(b)(l) of the Code, any excise tax owing under Section 4999 of the Code or any other amount that would not be deductible under Section 280G of the Code.

4. **Representations, Warranties and Agreements of the Purchaser**. The Purchaser represents and warrants to, and agrees with, the Company, as of the date hereof and as of the applicable Closing Date, the following:

(a) The Purchaser has the knowledge and experience in financial and business matters necessary to evaluate the merits and risks of its prospective investment in the Company, and has carefully reviewed and understands the risks of, and other considerations relating to, the purchase of Shares and the tax consequences of the investment. The Purchaser has adequate means of providing for its current and anticipated financial needs and contingencies, and is able to bear the economic risks of the investment for an indefinite period of time and has no need for liquidity of the investment in the Shares. The Purchaser can afford the loss of his, her or its entire investment.

(b) The Purchaser is acquiring the Shares for investment for his, her or its own account and not with the view to, or for resale in connection with, any distribution thereof. The Purchaser understands and acknowledges that the Offering and sale of the Shares have not been registered under the Securities Act or any state securities Laws, by reason of a specific exemption from the registration provisions of the Securities Act and applicable state securities Laws, which depends upon, among other things, the bona fide nature of the investment intent as expressed herein. The Purchaser further represents that he, she or it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to any third person with respect to any of the Shares, other than with respect to an Affiliate of the Purchaser. The Purchaser understands and acknowledges that the Offering of the Shares will not be registered under the Securities Act nor under the state securities laws on the ground that the sale of the Shares to the Purchaser as provided for in this Agreement and the issuance of securities hereunder is exempt from the registration requirements of the Securities Act and any applicable state securities laws. The Purchaser is an "accredited investor" as defined in Rule 501 of Regulation D as promulgated by the SEC under the Securities Act for the reason(s) specified on the Accredited Investor Certification attached hereto as completed by the Purchaser. The Purchaser resides in the jurisdiction set forth on the Purchaser's Omnibus Signature Page affixed hereto. If the Purchaser is, with respect to the Company, (i) a predecessor of the Company; (ii) an affiliated issuer; (iii) a director, executive officer, other officer participating in the offering, general partner or managing member of the Company; (iii) any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; (iv) any promoter connected with the Company in any capacity at the time of such sale; (v) any investment manager of the Company if the Company is a pooled investment fund; (vi) any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the Offering; (vii) any general partner or managing member of any such investment manager or solicitor; or (viii) any director, executive officer or other officer participating in the offering of any such investment manager or solicitor or general partner or managing member of such investment manager or solicitor (each such category, a "**Covered Person**"), the Purchaser has not taken any of the actions set forth in, and is not subject to, the disqualification provisions of Rule 506(d)(1) of the Securities Act.

(c) The Purchaser (i) if a natural person, represents that he or she is the greater of (A) 21 years of age or (B) the age of legal majority in his or her jurisdiction of residence, and has full power and authority to execute and deliver this Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, limited liability company, association, joint stock company, trust, unincorporated organization or other entity, represents that such entity is duly organized, validly existing and in good standing under the Laws of the state or jurisdiction of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of applicable Law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the Shares, the execution and delivery of this Agreement has been duly authorized by all necessary action, this Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Agreement in a representative or fiduciary capacity, represents that he, she or it has full power and authority to execute and deliver this Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Purchaser is executing this Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Agreement and make an investment in the Company, and represents that this Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Purchaser is a party or by which it is bound, except for any violation or conflict that, individually or in the aggregate, has not had and would not reasonably be expected to have a material adverse effect on the ability of the Purchaser to perform its obligations under this Agreement and the other Transaction Documents or to consummate any transactions contemplated hereby or thereby.

(d) The Purchaser understands that the Shares are being offered and sold to him, her or it in reliance on specific exemptions from the registration requirements of United States federal and state securities Laws and that the Company is relying in part upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Purchaser to acquire such securities. The Purchaser further acknowledges and understands that the Company is relying on the representations and warranties made by the Purchaser hereunder and that such representations and warranties are a material inducement to the Company to sell the Shares to the Purchaser. The Purchaser further acknowledges that without such representations and warranties of the Purchaser made hereunder, the Company would not enter into this Agreement with the Purchaser.

(e) The Purchaser understands that, other than as expressly provided in the Registration Rights Agreement, the Company does not currently intend to register the Shares under the Securities Act at any time in the future; and the undersigned will not immediately be entitled to the benefits of Rule 144 with respect to the Shares. The Purchaser understands that no public market exists for the Company's Common Stock and that there can be no assurance that any public market for the Common Stock will exist or continue to exist. The Company's Common Stock is not approved for quotation on OTC Markets or any other quotation system or listed on any exchange.

(f) The Purchaser has received, reviewed and understood the information about the Company, including all Disclosure Materials provided to it by the Company and/or the Placement Agents (at the Company's direction), and has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management. The Purchaser understands that such discussions, as well as any Disclosure Materials provided by the Company and/or the Placement Agents (at the Company's direction), were intended to describe the aspects of the Company's business and prospects and the Offering which the Company believes to be material, but were not necessarily a thorough or exhaustive description and except as expressly set forth in this Agreement (as modified by the disclosures on the Disclosure Schedule or the Draft Super 8-K (excluding any disclosures contained under the heading "Risk Factors," any disclosures of risks included in any "forward looking statements" or disclosures that are cautionary, predictive or forward-looking in nature)), the Company makes no representation or warranty with respect to the completeness of such information and makes no representation or warranty of any kind with respect to any information provided by any entity other than the Company. Some of such information may include projections as to the future performance of the Company, which projections may not be realized, may be based on assumptions which may not be correct and may be subject to numerous factors beyond the Company's control. The Purchaser acknowledges that he, she or it is not relying upon any person or entity, other than the Company and its officers and directors, in making its investment or decision to invest in the Company.

(g) The Purchaser acknowledges that none of the Company or the Placement Agents is acting as a financial advisor or fiduciary of the Purchaser (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and no investment advice has been given by the Company, the Placement Agents or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby.

(h) As of the applicable Closing, all actions on the part of the Purchaser, and its officers, directors and partners, if applicable, necessary for the authorization, execution and delivery of this Agreement and the Registration Rights Agreement and the performance of all obligations of the Purchaser hereunder and thereunder shall have been taken, and this Agreement and the Registration Rights Agreement, assuming due execution by the parties hereto and thereto, constitute valid and legally binding obligations of the Purchaser, enforceable in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar Laws relating to, or affecting generally, the enforcement of creditors' rights and remedies.

(i) The Purchaser (who is not one of the investors in Compass prior to the Merger that held less than twenty-five percent (25%) of the outstanding LLC units prior to the Merger ("**Compass Investors**")), represents that neither it nor, to its knowledge, any person or entity controlling, controlled by or under common control with it, nor any person having a beneficial interest in the Purchaser, nor any person on whose behalf the Purchaser is acting: (i) is a person listed in the Annex to Executive Order No. 13224 (2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism); (ii) is named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control; (iii) is a non-U.S. shell bank or is providing banking services indirectly to a non-U.S. shell bank; (iv) is a senior non-U.S. political figure or an immediate family member or close associate of such figure; or (v) is otherwise prohibited from investing in the Company pursuant to applicable U.S. anti-money laundering, anti-terrorist and asset control Laws, regulations, rules or orders (categories (i) through (v), each a "**Prohibited Purchaser**"). The Purchaser (A) agrees to provide the Company, promptly upon request, all information that the Company reasonably deems necessary or appropriate to comply with applicable U.S. anti-money laundering, anti-terrorist and asset control Laws, regulations, rules and orders and (B) consents to the disclosure to U.S. regulators and law enforcement authorities by the Company and its Affiliates and agents of such information about the Purchaser as the Company reasonably deems necessary or appropriate to comply with applicable U.S. anti-money laundering, anti-terrorist and asset control Laws, regulations, rules and orders. If the Purchaser is a financial institution that is subject to the USA Patriot Act, the Purchaser represents that it has met all of its obligations under the USA Patriot Act. The Purchaser acknowledges that if, following its investment in the Company, the Company reasonably believes that the Purchaser is a Prohibited Purchaser or is otherwise engaged in suspicious activity or refuses to promptly provide information that the Company requests, the Company has the right or may be obligated to prohibit additional investments, segregate the assets constituting the investment in accordance with applicable regulations or immediately require the Purchaser to transfer the Shares. The Purchaser further acknowledges that neither the Purchaser nor any of the Purchaser's Affiliates or agents will have any claim against the Company or Compass for any form of damages as a result of any of the foregoing actions.

(j) If the Purchaser is an Affiliate of a non-U.S. banking institution (a "**Foreign Bank**"), or if the Purchaser receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Purchaser represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated Affiliate.

(k) The Purchaser or its duly authorized representative realizes that because of the inherently speculative nature of businesses of the kind conducted and contemplated by the Company, the Company's financial results may be expected to fluctuate from month to month and from period to period and will, generally, involve a high degree of financial and market risk that could result in substantial or, at times, even total losses for investors in securities of the Company. The Purchaser has considered the risk factors in the Draft Super 8-K before deciding to invest in the Shares.

(l) The Purchaser is not subscribing for Shares as a result of or subsequent to any advertisement, article, notice or other communication, published in any newspaper, magazine or similar media or broadcast over television, radio, or the internet, or presented at any seminar or meeting, or any solicitation of a subscription by a person not previously known to the Purchaser in connection with investments in securities generally.

(m) The Purchaser acknowledges that no U.S. federal or state agency or any other government or governmental agency has passed upon the Shares or made any finding or determination as to the fairness, suitability or wisdom of any investments therein.

(n) Other than consummating the transactions contemplated hereunder, the Purchaser has not directly or indirectly, nor has any individual or entity acting on behalf of or pursuant to any understanding with the Purchaser, executed any purchases or sales, including Short Sales (as defined below), of the securities of the Company during the period commencing at the time the Purchaser was first contacted by the Company or any other individual or entity representing the Company (including one or more of the Placement Agents) regarding the transactions contemplated hereunder. Notwithstanding the foregoing, in the case of the Purchaser being a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of the Purchaser's assets and the portfolio managers do not communicate or share information with, and have no direct knowledge of the investment decisions made by, the portfolio managers managing other portions of the Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Shares covered by this Agreement. Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect Short Sales or similar transactions in the future. For purposes of this Agreement, "**Short Sales**" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

(o) The Purchaser is aware that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of the Shares and other activities with respect to the Shares by the Purchaser, and will comply with such anti-manipulation rules of Regulation M.

(p) All of the information concerning the Purchaser set forth herein, and any other information furnished by the Purchaser in writing to the Company or a Placement Agent for use in connection with the transactions contemplated by this Agreement, is true, correct and complete in all material respects as of the date of this Agreement, and, if there should be any material change in such information prior to the Purchaser's purchase of the Shares, the Purchaser will promptly furnish revised or corrected information to the Company.

(q) The Purchaser has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by the Transaction Documents. With respect to such matters, the Purchaser relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Purchaser understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by the Transaction Documents.

(r) If the Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), the Purchaser hereby represents that it has satisfied itself as to the observance in all material respects of the Laws of its jurisdiction in connection with any invitation to subscribe for the Shares or any use of this Agreement, including (a) the legal requirements within its jurisdiction for the purchase of the Shares; (b) any foreign exchange restrictions applicable to such purchase; (c) any governmental or other consents that may need to be obtained; and (d) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of the Shares. The Purchaser's subscription and payment for and continued beneficial ownership of the Shares will not violate any applicable securities or other Laws of the Purchaser's jurisdiction.

(s) The Purchaser represents that it is not a "foreign person" for purposes of Section 721 of the Defense Production Act of 1950 (as amended) or the rules or regulations promulgated thereunder (including 31 C.F.R. Part 800 and 31 C.F.R. part 801); provided, however, that if the Purchaser is a "foreign person" for such purposes, it agrees that it will not (i) obtain any control rights over the Company, including the ability to determine, direct, or decide important matters affecting the Company; (ii) have access to any material nonpublic technical information in the possession of the company; (iii) obtain membership or observer rights on the Board of Directors or the right to nominate an individual to a position on the Board of Directors; or (iv) have any involvement, other than through voting of shares, in substantive decision making of the Company regarding the use, development, acquisition or release of the Company's technology.

(t) If the Purchaser is a Covered Person, neither the Purchaser nor, to the Purchaser's knowledge, any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members is subject to any Disqualification Events, except for Disqualification Events covered by Rule 506(d)(2)(ii) or (iii) under the Securities Act, and disclosed reasonably in advance of the applicable Closing in writing in reasonable detail to the Company.

(u) The Purchaser understands that there are substantial restrictions on the transferability of the Shares and that the certificates or book-entry positions representing the Shares shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such certificates or other instruments):

> THE SECURITIES REPRESENTED BY THIS [CERTIFICATE] [BOOK-ENTRY POSITION] HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS OR (3) SOLD PURSUANT TO RULE 144 UNDER THE SECURITIES ACT.

In addition, if the Purchaser is an Affiliate of the Company, certificates or book-entry positions evidencing the Shares issued to the Purchaser may bear a customary "Affiliates" legend.

Any fees (with respect to the Company's transfer agent (the "Transfer Agent"), counsel or otherwise) associated with the removal of such legend(s) shall be borne by the Company.

The Company shall be obligated to promptly reissue unlegended certificates upon the request of any holder thereof (x) at such time as the securities evidenced by such certificates are sold pursuant to Rule 144 or another applicable exemption from the registration requirements of the Securities Act has been satisfied or (y) at such time as a registration statement is available for the transfer of the Shares. The Company is entitled to request from any holder requesting unlegended certificates under clause (x) of the foregoing sentence a certificate of such holder reasonably acceptable to the Company confirming that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification or legend.

(v) **The Purchaser understands that the Company prior to the Merger was a "shell company" as defined in Rule 12b-2 under the Exchange Act, and that upon filing with the SEC of the Super 8-K reporting the consummation of the Merger and related transactions and the transactions contemplated by this Agreement, and otherwise containing "Form 10 information" discussed below, the Company will reflect therein that it is no longer a shell company. Pursuant to Rule 144(i), securities issued by a current or former shell company (that is, the Shares) that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 until one year after the Company (a) is no longer a shell company; and (b) has filed current "Form 10 information" (as defined in Rule 144(i)) with the SEC reflecting that it is no longer a shell company, and provided that at the time of a proposed sale pursuant to Rule 144, the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and has filed all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months (or for such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports. As a result, the restrictive legends on certificates or book-entry positions for the Shares cannot be removed except in connection with an actual sale meeting the foregoing requirements or pursuant to an effective registration statement.**

(w) The Purchaser, if and to the extent that it purchases Shares in any Subsequent Closing, represents that it (i)(A) has a substantive, pre-existing relationship with the Company or (B) had direct contact by the Company or a Placement Agent outside of the Offering, and (ii) did not contact the Company or a Placement Agent or become interested in the Offering as a result of reading or otherwise being aware of the Super 8-K or any press release or any other public disclosure disclosing the terms of the Offering.

(x) To effectuate the terms and provisions hereof, the Purchaser hereby appoints Raymond James & Associates, Inc., as its attorney-in-fact for the purpose of carrying out the provisions of the Escrow Agreement, including, without limitation, taking any action on behalf of, or at the instruction of, the Purchaser and executing any release notices required under the Escrow Agreement and taking any action and executing any instrument that Raymond James & Associates, Inc., may deem necessary or advisable (and lawful) to accomplish the purposes hereof, in each case, subject to and in accordance with the terms of this Agreement. All lawful acts done under the foregoing authorization are hereby ratified and approved, and neither Raymond James & Associates, Inc., nor any designee nor agent thereof shall be liable for any acts of commission or omission, for any error of judgment, for any mistake of fact or law except for acts of fraud, gross negligence or willful misconduct. This power of attorney, being coupled with an interest, is irrevocable while the Escrow Agreement remains in effect.

5. **Conditions to Company's Obligations at Closing.** The Company's obligation to complete the sale and issuance of the Shares and deliver the Shares to the Purchaser and to consummate the other transactions contemplated hereby at the Initial Closing and, if applicable, a Subsequent Closing, shall be subject to the satisfaction or written waiver by the Company (in whole or in part) of the following conditions, to the extent such condition can be waived, in its sole discretion, on or prior to the Initial Closing Date and each Subsequent Closing Date, as applicable (provided, that any waiver by the Company of the condition set forth in Section 5(f) shall require the prior written consent of the Purchaser):

(a) Receipt of Payment. The Company shall have received payment, by certified or other bank check or by wire transfer of immediately available funds, in the full amount of the Purchase Price for the number of Shares being purchased by the Purchaser at the Initial Closing and, if applicable, a Subsequent Closing (less the amount of any Transaction Expenses, if applicable).

(b) Receipt of Executed Transaction Documents. The Purchaser shall have executed and delivered to the Company the Omnibus Signature Page, Accredited Investor Certification, the Investor Profile and, other than the Compass Investors, the Anti-Money Laundering Information Form and the Selling Securityholder Questionnaire (as defined in the Registration Rights Agreement).

(c) Representations and Warranties. The representations and warranties made by the Purchaser in Section 4 hereof shall be true and correct in all respects as of the date of this Agreement and as of such Closing Date with the same force and effect as if they had been made on and as of such Closing Date (except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all respects as of such earlier date), except for the failure of any such representation or warranty to be so true and correct as would not, individually or in the aggregate, have a material adverse effect on the ability of the Purchaser to consummate the transactions contemplated hereby.

(d) Performance. The Purchaser shall have performed or complied with in all material respects all obligations and covenants herein required to be performed by the Purchaser on or prior to the applicable Closing.

(e) Effectiveness of the Merger Transactions. The Merger and each of the other transactions contemplated by the Merger Agreement shall have been effected and consummated.

(f) Minimum Offering. In connection with the Initial Closing only, the Company shall have received proceeds from the Offering equal to or greater than the Minimum Offering Amount (inclusive of the Minimum Insider Investment).

(g) Qualifications. All Authorizations of, or notices to, any Governmental Authority that are required in connection with the transactions contemplated by this Agreement, including the lawful issuance and sale of the Shares pursuant to this Agreement at each Closing except for Blue Sky law permits and qualifications that may be properly obtained after such Closing and filing of a Notice of Exempt Offering of Securities on Form D with the SEC under Regulation D which may be filed no later than 15 calendar days after the "date of first sale" in the Offering.

6. **Conditions to Purchaser's Obligations at the applicable Closing**. The Purchaser's obligation to accept delivery of the Shares and to pay for the Shares to be issued to the Purchaser hereunder at the Initial Closing and, if applicable, a Subsequent Closing, and to consummate the other transactions contemplated hereby, shall be subject to the satisfaction or written waiver by the Purchaser (in whole or in part) of the following conditions, to the extent such condition can be waived, in its sole discretion, on or prior to the Initial Closing Date and each Subsequent Closing Date, as applicable:

(a) Representations and Warranties. (i) The representations and warranties made by the Company (as modified by the disclosures on the Disclosure Schedule or in the Draft Super 8-K (excluding any disclosures (whether contained under the heading "Risk Factors," in any "forward-looking statements" disclaimer or in any other section) to the extent they are cautionary, predictive or forward-looking in nature) set forth in Sections 3(a), 3(a), 3(c), 3(d), 3(e), 3(h), 3(i), and 3(dd) hereof (collectively, the "**Company Fundamental Representations**") shall be true and correct in all respects as of the date of this Agreement and as of such Closing Date with the same force and effect as if they had been made on and as of such Closing Date (except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all respects as of such earlier date) and (ii) the other representations and warranties made by the Company in Section 3 shall be true and correct in all material respects (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" or similar qualifier) as of the date of this Agreement and as of such Closing Date with the same force and effect as if they had been made on and as of such Closing Date (except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date).

(b) Performance. The Company shall have performed or complied with in all material respects all obligations and covenants herein required to be performed by it on or prior to the applicable Closing.

(c) Receipt of Executed Transaction Documents. The Company shall have duly executed and delivered to the Placement Agents on behalf of the Purchaser the Registration Rights Agreement and the Escrow Agreement.

(d) Effectiveness of the Merger Transactions. The Merger and each of the other transactions contemplated by the Merger Agreement shall have been effected and consummated.

(e) Minimum Offering. In connection with the Initial Closing only, the Company shall have received proceeds from the Offering equal to or greater than the Minimum Offering Amount (inclusive of the Minimum Insider Investment).

(f) Equity Incentive Plan. The Board of Directors and the stockholders of the Company shall have duly adopted the EIP as described in Recital B above.

(g) Certificate. At each applicable Closing, an executive officer of the Company shall have duly executed and delivered or caused to be delivered to the Placement Agents and the Purchaser a certificate addressed to the Purchaser and the Placement Agents certifying as to the satisfaction of the conditions set forth in Section 6(a) and Section 6(b) as of the applicable Closing Date

(h) Good Standing. The Company and each of its Subsidiaries is a corporation or other business entity duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its formation.

(i) Judgments. No judgment, writ, order, injunction, award or decree of or by any court, or judge, justice or magistrate, including any bankruptcy court or judge, or any order of or by any Governmental Authority, shall have been issued, and no action or proceeding shall have been instituted by any Governmental Authority, enjoining or preventing the consummation of the transactions contemplated hereby.

(j) Delivery of Draft Super 8-K and Merger Agreement. The Company shall have delivered to the Purchaser, at least two (2) Business Days prior to the Initial Closing, (A) the Draft Super 8-K (including all exhibits thereto), including audited and interim unaudited financial statements of Compass and pro forma financial statements reflecting the Merger, all compliant with applicable SEC regulations for inclusion under Items 2.01(f) and/or 5.01(a)(8) of SEC Form 8-K and (B) a substantially complete draft of the Merger Agreement and each other material transaction document contemplated by or related to the Merger Agreement, including the disclosure schedules thereto, each of which shall be reasonably acceptable the Purchaser.

(k) Legal Opinion. Goodwin Procter LLP, legal counsel for the Company, shall deliver an opinion to the Purchaser and the Placement Agents, dated as of the applicable Closing Date, in form and substance reasonably acceptable to the Placement Agents and the Purchaser.

(l) Compliance with Laws. The transactions contemplated by this Agreement and the other Transaction Documents, including the sale and issuance of the Shares, shall be legally permitted by all Laws and regulations to which the Company is subject or which are otherwise applicable to the transactions contemplated by the Transaction Documents.

(m) Qualifications. All Authorizations of, or notices to, any Governmental Authority that are required in connection with the transactions contemplated by this Agreement, including the lawful issuance and sale of the Shares pursuant to this Agreement at each Closing, shall have been delivered or obtained and effective as of such Closing except for Blue Sky law permits and qualifications that may be properly obtained after such Closing and filing of a Notice of Exempt Offering of Securities on Form D with the SEC under Regulation D which may be filed no later than 15 calendar days after the "date of first sale" in the Offering.

(n) No Material Adverse Effect. There shall have been no Material Adverse Effect.

(o) Stock Certificate. At the applicable Closing, to the extent requested by the Purchaser, the Company shall have delivered or caused to be delivered to the Purchaser one or more stock certificates evidencing the number of Shares set forth on the applicable Purchaser's Omnibus Signature Page, duly executed by the proper officers of the Company and registered in the name of the Purchaser or its designee.

7. **Indemnification**.

(a) In addition to the indemnity provided to the Purchaser in the applicable Registration Rights Agreement, the Company agrees to indemnify and hold harmless the Purchaser and its Affiliates, and its and their respective directors, officers, stockholders, equityholders, members, managers, partners, employees, attorneys, consultants, representatives and agents (and any other persons with a functionally equivalent role of a person holding such titles notwithstanding a lack of such title or any other title), each person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, stockholders, equityholders, members, managers, partners, employees, attorneys, consultants, representatives and agents (and any other persons with a functionally equivalent role of a person holding such titles notwithstanding a lack of such title or any other title) of such controlling person (collectively, the "**Purchaser Indemnitees**"), from and against all losses, liabilities, claims, damages, costs, fees, charges, Taxes, judgements, fines, penalties and expenses whatsoever (including, but not limited to, amounts paid in settlement and any and all out-of-pocket expenses, including attorneys' fees and expenses, incurred in investigating, preparing or defending against any litigation commenced or threatened) (collectively, "**Indemnified Liabilities**") arising out of or relating to: (i) the inaccuracy, violation or breach of any of the Company's representations or warranties made in Section 3 of this Agreement; (ii) any breach or failure to perform by the Company of any of its covenants and obligations contained herein or (iii) any Action brought or made against such Purchaser Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company) and arising out of, relating to or resulting from (A) the execution, delivery, performance or enforcement of the Transaction Documents or the Merger Agreement or the transactions contemplated hereby or thereby, including the issuance of the Shares and the Merger or (B) the status of the Purchaser as an investor in the Company pursuant to the transactions contemplated hereby or by the other Transaction Documents. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable Law.

(b) The Company shall have the right to control the investigation and defense of any Action for which a Purchaser Indemnitee may be entitled to indemnification hereunder with counsel reasonably satisfactory to such Purchaser Indemnitee, at the sole cost and expense of the Company, upon written notice to the applicable Purchaser Indemnitee; provided, that (i) such notice contains confirmation that the Company has agreed to indemnify the Purchaser Indemnitee (subject to the limitations on indemnification set forth herein) for the Indemnified Liabilities arising out of, relating to or resulting from such Action and (ii) the Company shall not be entitled to assume or control the investigation and defense, if (A) such claim seeks non-monetary, equitable or injunctive relief or alleges any violation of criminal Law or (B) the Indemnitor is also a party and the Indemnitee determines in good faith after consultation with counsel that there may be one or more legal defenses available to such Indemnitee that are different or additional to those available to the Indemnitor. If the Company assumes the investigation and defense of such Action in accordance herewith, the Purchaser Indemnitee may retain separate co-counsel at its sole cost and expense and participate in the investigation and defense of such Action.

(c) Notwithstanding anything to the contrary herein, without the prior written consent of the Purchaser Indemnitee, the Company shall not, and shall not cause or permit any of its Subsidiaries or its or their respective Related Parties to, negotiate, consent to or enter into any settlement, or consent to the entry of any judgment, with respect to any Action for which such Purchaser Indemnitee may be entitled to indemnification hereunder, unless such settlement (i) includes an unconditional release of such Purchaser Indemnitee from all liability arising out of such proceeding, (ii) does not require any admission of wrongdoing by any Purchaser Indemnitee, and (iii) does not obligate or require any Purchaser Indemnitee to take, or refrain from taking, any action.

(d) The Purchaser acknowledges on behalf of itself and each Purchaser Indemnitee that, other than (i) for Actions seeking specific performance of the obligations under this Agreement; (ii) if applicable, for Actions to recover any Transaction Expenses or (iii) in the case of a breach or violation of this Agreement by the Company which has resulted from either (A) intentional fraud or (B) a deliberate act or failure to act with actual knowledge that the act or failure to act constituted or would result in a breach or violation, in each case, the sole and exclusive remedy of the Purchaser and the Purchaser Indemnitees with respect to any and all claims relating to this Agreement shall be pursuant to the indemnification provisions (including the limitations thereof) set forth in this Section 7.

8. **Revocability; Binding Effect**. The subscription hereunder may be revoked, in whole or in part, prior to the Initial Closing or any Subsequent Closing, as applicable, in the sole discretion of the Purchaser, for any reason or no reason, provided that written notice of revocation is sent and is received by the Company or a Placement Agent at least two (2) Business Days prior to the Initial Closing Date or the applicable Subsequent Closing Date. The Purchaser hereby acknowledges and agrees that this Agreement shall survive the death or disability of the Purchaser and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and permitted assigns. For the purposes of this Agreement, "**Business Day**" means a day, other than a Saturday or Sunday, on which banks in New York City are open for the general transaction of business.

9. **Future Issuances**. If a Purchaser, together with its Affiliates, collectively holds at least 4,000,000 Shares as of the Closing (taking into account any Subsequent Closing) (each such Purchaser, a "**Significant Purchaser**"), from and after the date of the Initial Closing until the date that such Significant Purchaser, together with its Affiliates, ceases to collectively hold at least 4,000,000 shares of Common Stock issued in the Offering, the Company will not, directly or indirectly, effect any Subsequent Offering or Debt Financing unless the Company shall have first complied with the applicable terms of this Section 9.

(a) Subsequent Offerings.

(i) In the event the Company intends to issue, sell or grant (a "**Subsequent Offering**") any shares of Common Stock or other equity securities of the Company or any of its Subsidiaries (including any securities that are convertible into, or exercisable or exchangeable for, Common Stock or other equity interests), but excluding any Excluded Securities (the "**New Securities**") following the date of the Initial Closing, the Company shall deliver to each Significant Purchaser a written notice (the "**Offer Notice**"), which Offer Notice shall (A) identify and describe the terms and provisions of the New Securities, including the price and other terms upon which they are to be issued, sold or exchanged, and the number or amount of the New Securities proposed to be issued, sold or exchanged and (B) offer to issue and sell to each Significant Purchaser (or at such Significant Purchaser's discretion, any of such Significant Purchaser's Affiliates) a portion of the New Securities up to such Significant Purchaser's Pro Rata Share, which offer must remain open until at least the close of business on the 10th day following the date on which such Significant Purchaser received the Offer Notice (the "**Offer Period**"). "**Pro Rata Share**" means, as of the applicable date of determination, a percentage calculated by dividing (x) the number of shares of Common Stock held by such Significant Purchaser as of such date by (y) the total number of shares of Common Stock outstanding as of such date.

(ii) To exercise its rights hereunder, in whole or in part, such Significant Purchaser (or any of its Affiliates) must deliver a written notice to the Company prior to the end of the Offer Period, setting forth the number of New Securities, up to such Significant Purchaser's Pro Rata Share, that such Significant Purchaser elects to purchase (each, a "**Notice of Acceptance**"). Notwithstanding anything to the contrary contained herein, if the Company desires to modify or amend any of the terms and conditions of the offering of the New Securities prior to the expiration of the Offer Period, the Company shall deliver to the Significant Purchaser a new Offer Notice and the Offer Period shall be extended to at least the close of business on the 10th day following the date on which such Significant Purchaser received such Offer Notice. If any Significant Purchaser fails to deliver a Notice of Acceptance prior to the end of the Offer Period, such Significant Purchaser shall be deemed to have waived its rights hereunder with respect to such Subsequent Offering (and for the avoidance of doubt, such waiver shall not operate as a waiver with respect to any future Subsequent Offerings). If any Significant Purchaser delivers a Notice of Acceptance, the Company and such Significant Purchaser shall each consummate the Subsequent Offering for the number or amount of New Securities specified in the Notices of Acceptance upon the terms and conditions specified in the Offer Notice as promptly as practicable (but in no event later than 30 days) following the delivery of the Offer Notice. Each of the Company and the Significant Purchasers that have delivered a Notice of Acceptance shall take all such other actions as may be reasonably necessary to consummate the Subsequent Offering, including entering into such additional agreements as may be necessary or appropriate.

(iii) The Company shall have 75 calendar days from the expiration of the Offer Period to offer, issue, sell or exchange, on the terms and conditions specified in the Offer Notice, all or any portion of the New Securities as to which a Notice of Acceptance has not been delivered by the Significant Purchasers in accordance with this Section 9(a). Upon the termination of such 75-day period, if the Company has not consummated the sale of any such New Securities, the Company may not issue, sell or grant any such New Securities without again complying with the procedures specified in this Section 9(a).

(iv) For purposes of this Agreement, "**Excluded Securities**" mean shares of Common Stock issued or issuable (A) to officers, employees, directors, managers or independent contractors of the Company or any of its Subsidiaries pursuant to warrants, options, notes or other rights to acquire Common Stock issued pursuant to the EIP; (B) as consideration pursuant to any bona fide merger, business combination, acquisition (whether stock or assets) or sponsored research, technology license, development, manufacturing, marketing, joint venture, collaboration or other strategic transaction approved by the Board of Directors of the Company (other than any transaction in which the Company or its Subsidiary is issuing securities for the purpose of raising capital); (C) to the Company or one of its Subsidiaries or (D) in an underwritten public offering pursuant to a registration statement filed under the Securities Act.

(b) Debt Financings.

(i) In the event that the Company intends to consummate any financing or other transaction involving indebtedness that is convertible into any New Securities (a "**Debt Financing**"), which for the avoidance of doubt would not include any refinancing or other indebtedness transaction in connection with the certain Loan Agreement, dated as of March 30, 2018, by and between Compass and Pacific Western Bank, Inc., as amended to date, the Company shall give written notice thereof to the Significant Purchasers (a "**Debt Financing Notice**"), which Debt Financing Notice shall (i) set forth the material terms and conditions of such Debt Financing (the "**Debt Financing Terms**") and (ii) offer the Significant Purchasers the right (but not the obligation) to fund a portion of such Debt Financing up to such Significant Purchaser's Pro Rata Share on the Debt Financing Terms, which offer must remain open until at least the close of business on the 10th day following the date on which the Significant Purchasers receive the Debt Financing Notice (the "**Debt Financing Election Period**").

(ii) To exercise its rights hereunder, in whole or in part, such Significant Purchaser (or any of its Affiliates) must deliver a written notice to the Company prior to the end of the Debt Financing Election Period, advising the Company whether they are exercising their rights to fund, up to such Significant Purchaser's Pro Rata Share, a portion of the Debt Financing on the Debt Financing Terms (the "**Debt Financing Exercise Notice**"). Notwithstanding anything to the contrary contained herein, if the Company desires to modify or amend any of the terms and conditions of the Debt Financing prior to the expiration of the Debt Financing Election Period, the Company shall deliver to the Significant Purchasers a new Debt Financing Notice and the Debt Financing Election Period shall be extended until at least the close of business on the 10^{th} day following the date on which such Significant Purchaser receives such new Debt Financing Notice. If any Significant Purchaser fails to deliver a Debt Financing Exercise Notice prior to the end of the Debt Financing Election Period, such Significant Purchaser shall be deemed to have waived its rights hereunder with respect to such Debt Financing (and for the avoidance of doubt, such waiver shall not operate as a waiver with respect to any future Debt Financing).

(iii) If any Significant Purchaser delivers a Debt Financing Exercise Notice, the Company and such Significant Purchaser shall each consummate the funding of the Debt Financing on the Debt Financing Terms in the agreed amount as set forth in the Debt Financing Exercise Notice, as promptly as practicable (but in no event later than 30 days) following the delivery of the Debt Financing Notice. Each of the Company and the Significant Purchasers that have delivered a Debt Financing Exercise Notice shall take all such other actions as may be reasonably necessary to consummate the Debt Financing, including entering into such additional agreements as may be necessary or appropriate.

(iv) Solely to the extent that the Significant Purchasers elect not to exercise their rights to fund all or any portion of the Debt Financing (any portion of the Debt Financing for which the Significant Purchasers do not make an election to fund, the "**Unfunded Amount**"), then one or more other persons shall be permitted to participate in the Debt Financing up to the Unfunded Amount; provided, that (A) such participation shall be on the Debt Financing Terms and (B) the funding of the Unfunded Portion shall be consummated no later than 75 days of the date of delivery of the Debt Financing Notice to the Significant Purchasers. If such funding is not consummated within such 75-day period, then the Company shall be required to deliver to the Significant Purchasers a new Debt Financing Notice (and the provisions of this Section 9(b) shall be applied again to such proposed Debt Financing).

10. **Miscellaneous**.

(a) Modification**.** This Agreement shall not be amended, modified or waived except by an instrument in writing signed by the Company and the Purchaser. Any amendment, modification or waiver effected in accordance with this Section 10(a) shall be binding upon the Purchaser and each transferee of the Shares, each future holder of all such Shares, and the Company, its successors and assigns.

(b) Third-Party Beneficiary**.** The Placement Agents shall be express third party beneficiaries of the representations and warranties of the Company and the Purchaser included in Sections 3 and 4 of this Agreement. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person, except as otherwise set forth in Section 7 and this Section 10(b).

(c) Notices**.** Any notice, consents, waivers or other communication required or permitted to be given hereunder shall be in writing and will be deemed to have been delivered: (i) upon receipt, when personally delivered; (ii) upon receipt when sent by certified mail, return receipt requested, postage prepaid; (iii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party; (iv) when sent, if by e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's e- mail server that such e-mail could not be delivered to such recipient); or (v) one (1) Business Day after deposit with a nationally recognized overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses, facsimile numbers and email addresses for such communications shall be:

(i) if to the Company, at

Olivia Ventures, Inc. (to be renamed Compass Therapeutics, Inc.)
2255 Glades Road, Suite 324A
Boca Raton, Florida 33431
Attention: [**]
Email: [**]

with copies (which shall not constitute notice) to:

Sichenzia Ross Ference LLP
1185 Avenue of the Americas
New York, NY 10036
Attention: [**]
Facsimile: [**]
E-mail: [**]

and

Goodwin Procter LLP
100 Northern Avenue
Boston, MA 02210
Attention: [**]
Email: [**]

or

(ii) if to the Purchasers, at the address set forth on each such Omnibus Signature Page hereof

(or, in either case, to such other address as the party shall have furnished in writing in accordance with the provisions of this Section).

(d) Assignability**.** This Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the Purchaser (including, for the avoidance of doubt, any Significant Purchaser), other than an assignment of the rights, interests and obligations hereunder in connection with any transfer of the Shares by a Purchaser to a Permitted Assignee (as such term is defined in the Registration Rights Agreement). For the avoidance of doubt, nothing in this Section 10(d) is intended to, or shall have the effect of, restricting or otherwise impairing any transfer of the Shares by the Purchaser.

(e) Applicable Law**.** This Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby shall be governed by and construed in accordance with the Laws of the State of New York, without reference to the principles thereof relating to the conflict of Laws. Any litigation based hereon, or arising out of, under or in connection with, this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby shall be brought and maintained exclusively in the United States District Court for the Southern District of New York or the circuit court for New York County, New York. Each party irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested, to such party's address set forth in Section 10(c), such service to become effective ten (10) days after such mailing.

(f) WAIVER OF JURY TRIAL**.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

(g) Form D; Blue Sky Qualification. The Company agrees to timely file a Form D with respect to the Shares and to provide a copy thereof, promptly upon request of the Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Shares for, sale to the Purchaser at such Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of the Purchaser.

(h) Use of Pronouns**.** All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

(i) Securities Law Disclosure; Publicity. By 9:00 a.m., New York City time, on the trading day immediately following the Initial Closing, the Company shall issue a press release (the "**Press Release**") disclosing all material terms of the Offering. The Company will also file the Super 8-K (and including as exhibits to such Super 8-K, the material Transaction Documents (including, without limitation, this Agreement and the Registration Rights Agreement)) as soon as practicable following the closing date of the Merger but in no event more than four (4) Business Days following the closing date of the Merger. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Purchaser or an Affiliate of the Purchaser, or include the name of the Purchaser or an Affiliate of the Purchaser in any press release or filing with the SEC (other than the Registration Statement) or any regulatory agency or principal trading market, without the prior written consent of the Purchaser, except (i) as required by federal securities Law in connection with (A) any registration statement contemplated by the Registration Rights Agreement and (B) the filing of final Transaction Documents with the SEC or (ii) to the extent such disclosure is required by applicable Law, request of the staff of the SEC or of any regulatory agency or principal trading market regulations, in which case the Company shall provide the Purchaser with prior written notice of such disclosure permitted under this sub-clause (ii). From and after the filing of the Super 8-K, no Purchaser shall be in possession of any material, non-public information received from the Company or any of its respective officers, directors, employees or agents or any other person acting on its behalf in connection with the Offering that is not disclosed in the Super 8-K unless the Purchaser shall have executed a written agreement with the Company regarding the confidentiality and use of such information or is otherwise subject to confidentiality restrictions. The Purchaser, severally and not jointly with the Other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company as described in this Section 10(i), the Purchaser will maintain the confidentiality of all disclosures made to it in connection with such transactions (including the existence and terms of such transactions), except to the extent such disclosure (x) is made to the Purchaser Parties in connection with the transactions contemplated hereby or (y) is required by applicable Law. In addition, the Purchaser acknowledges that it is aware that United States securities laws may restrict persons who have material, non-public information about a company from purchasing or selling any securities of such company while in possession of such information. The provisions of this Section 10(i) are in addition to and not in replacement of any other confidentiality agreement, if any, between the Company and the Purchaser.

(j) Non-Public Information**.** Except for information (including the terms of this Agreement and the transactions contemplated hereby) that will be disclosed in the Super 8-K and filed with the SEC, the Company shall not and shall cause each of its officers, directors, employees, agents and other representatives, not to, provide the Purchaser with any material, non-public information regarding the Company without the express prior written consent of the Purchaser.

(k) Entire Agreement. This Agreement, together with the Registration Rights Agreement and each other Transaction Document, and all exhibits, schedules and attachments hereto and thereto, including the Disclosure Schedule and any confidentiality agreement between the Purchaser and the Company, constitute the entire agreement between the Purchaser and the Company with respect to the Offering and supersede all prior oral or written agreements and understandings, if any, relating to the subject matter hereof.

(l) Share Certificates. If the Shares are certificated and any certificate or instrument evidencing any Shares is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company and the Company's transfer agent of such loss, theft or destruction and the execution by the holder thereof of a customary lost certificate affidavit of that fact and an agreement to indemnify and hold harmless the Company and its transfer agent for any losses in connection therewith or, if required by such transfer agent, a bond in such form and amount as is required by the transfer agent. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Shares. If a replacement certificate or instrument evidencing any Shares is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

(m) Expenses. Each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby, whether or not the transactions contemplated hereby are consummated. Without limiting the foregoing, the Company shall pay all Transfer Agent fees, stamp taxes and other Taxes and duties levied in connection with the sale and issuance of the Offering, and the Company shall file all necessary Tax Returns and other documentation with respect to such fees, Taxes and duties, and the Company shall pay all fees and expenses of its counsel in connection with the issuance of any opinion required by Section 6(k) above and of any opinion to the Transfer Agent for the removal of any legend on the Shares. Notwithstanding anything herein to the contrary, the Company acknowledges and agrees that it shall pay 100% of the amount of documented fees and expenses reasonably incurred by the Purchasers that are affiliates of Consonance Capital and their respective advisors, counsel, accountants and other experts, if any, up to an aggregate of $175,000 (the "**Transaction Expenses**"). Notwithstanding anything to the contrary herein, the Company acknowledges and agrees that the amount of the Transaction Expenses shall be deducted from the aggregate Purchase Price payable hereunder by the Purchasers that are affiliates of Consonance Capital.

(n) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages that contain copies of an executed signature page such as in .pdf format shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or by e-mail of a document in .pdf format shall be deemed to be their original signatures for all purposes.

(o) Severability. Each provision of this Agreement shall be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable Law, such invalid or contrary provision shall be replaced with a valid provision that as closely as possible reflects the parties' intent with respect thereto, and invalidity or illegality shall not impair the operation of or affect the remaining portions of this Agreement.

(p) Headings. Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

(q) Multiple Closings. The Purchaser understands and acknowledges that there may be multiple Closings for the Offering.

(r) Additional Information; Further Assurances. The Purchaser hereby agrees to furnish the Company such other information as the Company may reasonably request prior to the applicable Closing with respect to its subscription hereunder. Each party hereto shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party hereto may reasonably request in order to effect the transactions contemplated hereby and to accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(s) Survival. The parties, agree that, if the Closing occurs, (i) the Company Fundamental Representations shall survive the execution and delivery of this Agreement for a period of three (3) years from the Initial Closing Date and (ii) the other representations and warranties of the Company and the representations and warranties of the Purchaser contained in this Agreement shall survive the execution and delivery of this Agreement for a period of one (1) year from the Initial Closing Date and in each case, shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of the Purchaser or the Company. The covenants and agreements contained in this Agreement (including the covenants and agreements set forth in Section 7 hereof) shall survive the Closing in accordance with their terms or, if no term is specified, such covenants and agreements shall survive indefinitely. Notwithstanding anything herein to the contrary, in no event shall the Purchaser have any liability to the Company or to any other person in connection with the Offering other than pursuant to this Agreement.

(t) Omnibus Signature Page**.** This Agreement is intended to be read and construed in conjunction with the Registration Rights Agreement. Accordingly, pursuant to the terms and conditions of this Agreement and the Registration Rights Agreement, it is hereby agreed that the execution by the Purchaser of this Agreement, in the place set forth on the Omnibus Signature Page below, shall constitute agreement to be bound by the terms and conditions hereof and the terms and conditions of the Registration Rights Agreement, with the same effect as if each of such separate but related agreement were separately signed.

(u) Public Disclosure**.** Neither the Purchaser nor any officer, manager, director, member, partner, stockholder, employee, Affiliate, Affiliated person or entity of the Purchaser shall make or issue any press releases or otherwise make any public statements or make any disclosures to any third person or entity with respect to the transactions contemplated herein and will not make or issue any press releases or otherwise make any public statements of any nature whatsoever with respect to the Company without the Company's express prior approval (which may be withheld in the Company's sole discretion), except to the extent such disclosure is required by Law, request of the staff of the SEC or of any regulatory agency or principal trading market regulations.

(v) Potential Conflicts**.** The Placement Agents, their sub-agents, legal counsel to the Company, the Placement Agents or Compass and/or their respective Affiliates, principals, representatives or employees may now or hereafter own shares of the Company.

(w) Independent Nature of the Purchaser's Obligations and Rights. For avoidance of doubt, the obligations of the Purchaser under this Agreement, the other Transaction Documents and any other agreements delivered in connection herewith are several and not joint with the obligations of any Other Purchaser in connection with the Offering, and the Purchaser shall not be responsible in any way for the performance of the obligations of any Other Purchaser in connection with the Offering. Nothing contained herein and no action taken by the Purchaser shall be deemed to constitute the Purchaser as a partnership, an association, a joint venture, or any other kind of entity, or create a presumption that the Purchaser is in any way acting in concert or as a group with any Other Purchaser in connection with the Offering with respect to such obligations or the transactions contemplated by this Agreement or any other Transaction Document or any Other Subscription Agreement. Except as specifically set forth herein, the Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other party to be joined as an additional party in any proceeding for such purpose.

(x) Waiver of Conflicts**.** Each party to this Agreement acknowledges that each of Sichenzia Ross Ference LLP, counsel to the Company prior to the Merger, Goodwin Procter LLP, counsel to Compass, and the Company post-Merger, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel to the Placement Agents, may have in the past performed and may continue to or in the future perform legal services for certain of the Purchasers in matters unrelated to the transactions described in this Agreement, including financings and other matters. Accordingly, each party to this Agreement hereby (a) acknowledges that they have had an opportunity to ask for information relevant to this disclosure; (b) acknowledges that Sichenzia Ross Ference LLP, Goodwin Procter LLP and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. represented the Company, Compass and the Placement Agents, respectively, in the transaction contemplated by this Agreement and has not represented any individual Purchaser in connection with such transaction; and (c) gives its informed consent to Sichenzia Ross Ference LLP's, Goodwin Procter LLP's and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.'s representation of certain of the Purchasers in such unrelated matters and to Sichenzia Ross Ference LLP's, Goodwin Procter LLP's and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.'s representation of the Company, Compass and the Placement Agents, respectively, in connection with this Agreement and the transactions contemplated hereby. Further, each party to this Agreement hereby acknowledges that Goodwin Procter LLP anticipates that it will advise the Company following the Merger.

(y) Adjustments. In the event of any stock split, subdivision, dividend or distribution payable in shares of Common Stock (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly shares of Common Stock), combination or other similar recapitalization or event occurring after the date hereof, each reference in any Transaction Document to a number of Shares or the Per Share Purchase Price shall be deemed to be amended to appropriately account for such event.

(z) Remedies. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by them in accordance with the terms hereof and that each party hereto may be entitled to seek protective orders, injunctive relief and other remedies available at Law or in equity (including, without limitation, seeking specific performance or rescission of purchases, sales and other transfers). The parties hereto agree not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches of this Agreement by the Purchaser or the Company, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the respective covenants and obligations of the Purchaser and the Company, as applicable, under this Agreement all in accordance with the terms of this Section 10(z). Neither the Purchaser nor the Company, as applicable, shall be required to provide any bond or other security in connection with seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, all in accordance with the terms of this Section 10(z).

(aa) Recourse. Notwithstanding anything that may be expressed or implied in this Agreement or in any other Transaction Document, and notwithstanding the fact that the Purchaser may be partnerships or limited liability companies, the Company hereto covenants, agrees and acknowledges that no recourse under this Agreement or any Transaction Document shall be had against any the Purchaser's future, present or former Affiliates, or the Purchaser's or its Affiliates' respective future, present or former officers, directors, managers, employees, partners, equityholders, controlling persons, members, agents, attorneys, representatives, successors or permitted assigns (the "**Purchaser Parties**") (other than the Purchaser and its successors and Permitted Assignees under this Agreement), whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any of the Purchaser Parties, as such, for any obligation or liability of any party under this Agreement or any other Transaction Document for any claim based on, in respect of or by reason of such obligations or liabilities or their creation; provided, however, nothing in this Section 10(aa) shall relieve or otherwise limit the liability of the Purchaser or any of its successors or Permitted Assignees, for any breach or violation of its obligations under such agreements, documents or instruments. The liability limitation provision in this Section 10(aa) shall survive termination of this Agreement.

(bb) Use of Proceeds. The Company shall use the net proceeds from the Offering for working capital and other general corporate purposes, including enrolling additional patients into the CTX-471 Phase 1 clinical trial, initiating manufacturing and toxicology studies for CTX-8371, nominating a lead candidate from the NKp30 platform, and expanding the senior management team.

(cc) More Favorable Agreement. If the Company enters into a subscription agreement or similar arrangement (or any amendment thereof or waiver thereof) in respect of the Offering, including any Other Subscription Agreement, with any other person, including any Other Purchaser, that contains any provision that is more favorable to such other person than the provisions of this Agreement (a "**More Favorable Agreement**"), the Company shall promptly provide the Purchaser with notice thereof and a copy of such provision, and upon such notice, this Agreement shall be deemed to be amended to conform the provisions of this Agreement with such more favorable provision.

[Signature page follows.]

IN WITNESS WHEREOF, the Company has duly executed this Agreement as of the 19th day of June, 2020.

OLIVIA VENTURES, INC. (to be renamed "Compass Therapeutics, Inc.")

By: /s/ Ian Jacobs
Name: Ian Jacobs
Title: Chief Executive Officer

COMPASS THERAPEUTICS LLC

By: /s/ Thomas Schuetz
Name: Thomas Schuetz
Title: CEO

How to subscribe for Shares in the private offering of Olivia Ventures, Inc.

1. **Date and Fill** in the number of Shares being purchased and **complete and sign** the Omnibus Signature Page.

2. **Initial** the Accredited Investor Certification in the appropriate place or places.

3. **Complete and sign** the Investor Profile.

4. **Complete and sign** the Anti-Money Laundering Information Form.

5. **Complete and sign** the Selling Securityholder Questionnaire

6. **Fax or email** all forms and then send all signed original documents to:

   Sichenzia Ross Ference LLP
   1185 Avenue of the Americas
   New York, NY 10036
   Facsimile Number: [**]
   Telephone Number: [**]
   Attn: [**]
   E-mail Address: [**]

7. **If you are paying the Purchase Price by check**, a certified or other bank check for the exact dollar amount of the Purchase Price for the number of Shares you are purchasing should be made payable to the order of **"Delaware Trust Company, as Escrow Agent for Compass Therapeutics Acct. #79-4161"** and should be sent directly to Delaware Trust Company, 251 Little Falls Drive, Wilmington, Delaware 19808, Wilmington, DE 19808, Attn: [**]

   Checks take up to 5 business days to clear. A check must be received by the Escrow Agent at least 6 business days before the closing date.

8. **If you are paying the Purchase Price by wire transfer**, you should send a wire transfer for the exact dollar amount of the Purchase Price for the number of Shares you are purchasing according to the following instructions**:**

Bank:	[**]
ABA Routing #:	[**]
SWIFT CODE:	[**]
Account Name:	[**]
Account #:	[**]
Reference:	[**]
Delaware Trust Contact:	[**]

Thank you for your interest.

Olivia Ventures, Inc. (to be renamed "Compass Therapeutics, Inc.")
OMNIBUS SIGNATURE PAGE TO
SUBSCRIPTION AGREEMENT AND REGISTRATION RIGHTS AGREEMENT

The undersigned, desiring to: (i) enter into the Subscription Agreement, dated as of June 19, 2020 (the "*Subscription Agreement*"), between the undersigned, **Olivia Ventures, Inc. (to be renamed "Compass Therapeutics, Inc.")**, a Delaware corporation (the "*Company*"), and the other parties thereto, in or substantially in the form furnished to the undersigned, (ii) enter into the Registration Rights Agreement (the "*Registration Rights Agreement*"), among the undersigned, the Company and the other parties thereto, in or substantially in the form furnished to the undersigned, and (iii) purchase the Shares of the Company's securities as set forth in the Subscription Agreement and below, hereby agrees to purchase such Shares from the Company and further agrees to join the Subscription Agreement and the Registration Rights Agreement as a party thereto, with all the rights and privileges appertaining thereto, and to be bound in all respects by the terms and conditions thereof. The undersigned specifically acknowledges having read the representations section in the Subscription Agreement entitled "Representations and Warranties of the Purchaser" and hereby represents that the statements contained therein are complete and accurate with respect to the undersigned as a Purchaser.

IN WITNESS WHEREOF, the Purchaser hereby executes the Subscription Agreement and the Registration Rights Agreement.

Dated: _____, 2020

_____	×	$5.00	=	$ _____
Number of Shares		Purchase Price per Share		Total Purchase Price

PURCHASER (individual)

_____
Signature

_____
Print Name

_____
Signature (if Joint Tenants or Tenants in Common)

_____
Address of Principal Residence:

_____

_____

Social Security Number(s):

_____
Telephone Number:

_____
Facsimile Number:

_____
E-mail Address:

PURCHASER (entity)

_____
Name of Entity

By: _____

_____

_____
Signature

Print Name: _____

_____

_____
Title: _____

_____

_____
Address of Executive Offices:

_____

_____

IRS Tax Identification Number:

_____
Telephone Number:

_____
Facsimile Number:

_____
E-mail Address:

1 ***Will reflect the Closing Date. Not to be completed by Subscriber.***

OLIVIA VENTURES, INC. (TO BE RENAMED "COMPASS THERAPEUTICS, INC.")

ACCREDITED INVESTOR CERTIFICATION

For Individual Investors Only
(all Individual Investors must *INITIAL* where appropriate):

Initial _____ I have a net worth of at least US$1 million either individually or through aggregating my individual holdings and those in which I have a joint, community property or other similar shared ownership interest with my spouse. ***(For purposes of calculating your net worth under this paragraph, (a) your primary residence shall not be included as an asset; (b) indebtedness secured by your primary residence, up to the estimated fair market value of your primary residence at the time of your purchase of the securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of your purchase of the securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of your primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by your primary residence in excess of the estimated fair market value of your primary residence at the time of your purchase of the securities shall be included as a liability.)***

Initial _____ I have had an annual gross income for the past two years of at least US$200,000 (or US$300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

Initial _____ I am a director or executive officer of the Compass Therapeutics LLC or Olivia Ventures, Inc.

For Non-Individual Investors (Entities)
(all Non-Individual Investors must *INITIAL* where appropriate):

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or business trust that is 100% owned by persons who meet at least one of the criteria for Individual Investors set forth above (in which case each such person must complete the Accreditor Investor Certification for Individuals above as well the remainder of this questionnaire).

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or business trust that has total assets of at least US$5 million and was not formed for the purpose of investing the Company.

Initial _____ The investor certifies that it is an employee benefit plan whose investment decision is made by a plan fiduciary (as defined in ERISA § 3(21)) that is a bank, savings and loan association, insurance company or registered investment advisor.

Initial _____ The investor certifies that it is an employee benefit plan whose total assets exceed US$5,000,000 as of the date of this Agreement.

Initial _____ The undersigned certifies that it is a self-directed employee benefit plan whose investment decisions are made solely by persons who meet at least one of the criteria for Individual Investors.

Initial _____ The investor certifies that it is a U.S. bank as defined in Section 3(a)(2) of the Securities Act, or any U.S. savings and loan association or other similar U.S. institution as defined in Section 3(a)(5) of the Securities Act acting in its individual or fiduciary capacity.

Initial _____ The undersigned certifies that it is a broker-dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

Initial _____ The investor certifies that it is an organization described in Section 501(c)(3) of the Internal Revenue Code with total assets exceeding US$5,000,000 and not formed for the specific purpose of investing in the Company.

Initial _____ The investor certifies that it is a trust with total assets of at least US$5,000,000, not formed for the specific purpose of investing in the Company, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment.

Initial _____ The investor certifies that it is a plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of US$5,000,000.

Initial _____ The investor certifies that it is an insurance company as defined in Section 2(13) of the Securities Act of 1933, or a registered investment company.

OLIVIA VENTURES, INC. (TO BE RENAMED "COMPASS THERAPEUTICS, INC.")

Investor Profile
(Must be completed by Investor)

Section A - Personal Investor Information

Investor Name(s): _____

Individual executing Profile or Trustee: _____

Social Security Numbers / Federal I.D. Number: _____

Date of Birth: _____ Marital Status: _____
Joint Party Date of Birth: _____ Investment Experience (Years): _____
Annual Income: _____ Liquid Net Worth: _____
Net Worth*: _____

Tax Bracket: _____ 15% or below _____ 25% - 27.5% _____ Over 27.5%

Home Street Address: _____

Home City, State & Zip Code: _____

Home Phone: _____ Home Fax: _____ Home Email: _____

Employer: _____

Employer Street Address: _____

Employer City, State & Zip Code: _____

Bus. Phone: _____ Bus. Fax: _____ Bus. Email: _____

Nature of Business (type of sector or industry):_____ Title/Position:_____

Outside Broker/Dealer: _____

Section B – Certificate Delivery Instructions

____ Please deliver certificate to the Employer Address listed in Section A.
____ Please deliver certificate to the Home Address listed in Section A.
____ Please deliver certificate to the following address: _____

Section C – Form of Payment – Check or Wire Transfer

____ Check payable to **Delaware Trust Company, as Escrow Agent for Compass Therapeutics Acct #79-4161**
____ Wire funds from my outside account according to instructions of the Subscription Agreement.
____ The funds for this investment are rolled over, tax deferred from _____ within the allowed 60 day window.
Please check if you are a FINRA member or affiliate of a FINRA member firm: _____

_____ _____
Investor Signature **Date**

*** For purposes of calculating your net worth in this form, (a) your primary residence shall not be included as an asset; (b) indebtedness secured by your primary residence, up to the estimated fair market value of your primary residence at the time of your purchase of the securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of your purchase of the securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of your primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by your primary residence in excess of the estimated fair market value of your primary residence at the time of your purchase of the securities shall be included as a liability.**

ANTI MONEY LAUNDERING REQUIREMENTS

The USA PATRIOT Act

The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002 all brokerage firms have been required to have new, comprehensive anti-money laundering programs.

To help you understand these efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act.

What is money laundering?

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

How big is the problem and why is it important?

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at $1 trillion a year.

What are we required to do to eliminate money laundering?

Under rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transaction and ensure compliance with such laws. As part of our required program, we may ask you to provide various identification documents or other information. Until you provide the information or documents we need, we may not be able to effect any transactions for you.

ANTI-MONEY LAUNDERING INFORMATION FORM
The following is required in accordance with the AML provision of the USA PATRIOT ACT.
(Please fill out and return with requested documentation.)

INVESTOR NAME: _____

LEGAL ADDRESS: _____

SSN# or TAX ID#
OF INVESTOR: _____

YEARLY INCOME: _____

NET WORTH: _____ *

*** For purposes of calculating your net worth in this form, (a) your primary residence shall not be included as an asset; (b) indebtedness secured by your primary residence, up to the estimated fair market value of your primary residence at the time of your purchase of the securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of your purchase of the securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of your primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by your primary residence in excess of the estimated fair market value of your primary residence at the time of your purchase of the securities shall be included as a liability.**

INVESTMENT OBJECTIVE(S) FOR ALL INVESTORS: _____

ADDRESS OF BUSINESS OR OF EMPLOYER:_____

_____

FOR INVESTORS WHO ARE INDIVIDUALS: AGE: _____

FOR INVESTORS WHO ARE INDIVIDUALS: OCCUPATION: _____

FOR INVESTORS WHO ARE ENTITIES: Business Sector/Industry): _____

BANK SECRECY ACT (BSA) REQUIREMENT

Identify and complete for each of the 25% or more beneficial owner(s) of the entity as defined below:[1]

Name: _____ Percent of Ownership: _____

Home Address (No PO Box):_____

Phone Number: _____ Email Address: _____

Title (if applicable): _____

Social Security Number: _____ Date of Birth: _____

Please provide documents to verify the identity of the beneficial owner(s), including a current valid issued government id for each beneficial owner identified above.

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[1] **Beneficial Owner: each individual, if any, who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise owns 25% or more of the equity interests of a legal entity investor: (A) a single individual with significant responsibility to control, manage or direct a legal entity investor, including, (i) an executive officer or senior manager (e.g. Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President or Treasurer) or (ii) any other individual who regularly performs similar functions or (B) if a trust owns directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, 25% or more of the equity interests of a legal entity investor, the beneficial owner shall mean the trustee. It is the ultimate beneficial owner(s) that must be identified and not nominees.**

IDENTIFICATION & DOCUMENTATION AND SOURCE OF FUNDS:

1. Please submit a copy of non-expired identification for the authorized signatory(ies) on the investment documents, showing name, date of birth, address and signature. **The address shown on the identification document MUST match the Investor's address shown on the Investor Signature Page.**

   Current Driver's License or Valid Passport or Identity Card
   (*Circle one or more)*

2. If the Investor is a corporation, limited liability company, trust or other type of entity, please submit the following requisite documents: (i) Articles of Incorporation, By-Laws, Certificate of Formation, Operating Agreement, Trust or other similar documents for the type of entity; and (ii) Corporate Resolution or power of attorney or other similar document granting authority to signatory(ies) and designating that they are permitted to make the proposed investment.

3. Please advise where the funds were derived from to make the proposed investment:

   Investments Savings Proceeds of Sale Other _____
   (Circle one or more)

Signature: _____

Print Name: _____

Title (if applicable): _____

Date: _____

DISCLOSURE SCHEDULE

June 19, 2020
[**]

EXHIBIT A

Form of Registration Rights Agreement

Exhibit 10.9

EXECUTION COPY

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.

AMENDED AND RESTATED

COLLABORATION AGREEMENT

This Amended and Restated Collaboration Agreement (the "**Agreement**"), dated February 11, 2015, amends and restates the Collaboration Agreement (the "**Original Agreement**") made as of October 16, 2014 (the "**Effective Date**") and amended as of December 9, 2014, by and between **Adimab, LLC**, a Delaware limited liability company having an address at 7 Lucent Drive, Lebanon, NH 03766 ("**Adimab**") and **Kairos Biologics Foundation LLC**, a Delaware limited liability company having an address at 44 South Main Street, Hanover, NH 03755 ("**Kairos**").

Background

1. Adimab is the leader in yeast-based, fully human antibody discovery using its proprietary core technology platform.

2. Kairos is a newly formed biotechnology company focused on discovery and development of antibodies and antibody-like molecules against novel targets and combinations of targets.

3. The Parties wish to collaborate to have Kairos select disease-related biological targets; Adimab discover antibodies directed against the selected targets; and Kairos determine the activity of the antibodies delivered by Adimab and have the option to license certain of these antibodies for development and commercialization as biopharmaceutical product(s), all as more particularly set forth in this Agreement.

NOW, Therefore, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Adimab and Kairos hereby agree as follows:

ARTICLE 1

DEFINITIONS.

The following initially capitalized terms have the following meanings (and derivative forms of them shall be interpreted accordingly):

1.1 "**AAA**" has the meaning given in Section 10.2(b)(i).

1.2 "**Accounting Standards**" means United States generally accepted accounting principles, or International Financial Reporting Standards, whichever is used by the applicable Party in preparing its audited financial statements, in either case, consistently applied.

1.3 "**Adimab Indemnitees**" has the meaning given in Section 8.2.

1.4 "**Adimab Materials**" means any tangible biological or chemical materials (including all vectors, antibodies and other Know-How in the form of tangible biological or chemical materials) used by Adimab or provided by Adimab to Kairos under a Research Program, including Program Antibodies (and DNA encoding these Program Antibodies).

1.5 "**Adimab Platform/Background Patents**" means all Patents Adimab or any of its Affiliates Controls during the term of this Agreement that Cover a Licensed Antibody or Product, not based on the composition, manufacture or method of use of such Licensed Antibody, but instead on the basis of the manner in which they were discovered by Adimab under the Research Program using Adimab Platform/Core Technology.

1.6 "**Adimab Platform/Core Technology**" means (a) fully-integrated, yeast-based antibody discovery, maturation and production via methods that include synthetic DNA antibody libraries, (b) all methods, materials and other Know-How used in the foregoing and (c) platforms embodying, components, component steps and other portions of any of the foregoing in (a) or (b).

1.7 "**Adimab Platform/Core Technology Improvement**" means all (1) Program Know-How and all Program Inventions (and Patents claiming them) that constitute Adimab Platform/Core Technology, including any and all improvements, enhancements, modifications, substitutions, alternatives or alterations to Adimab Platform/Core Technology as it is practiced by Adimab as of the Effective Date that constitute Adimab Platform/Core Technology and (2) any Adimab Program Inventions (but no other Program Inventions) that have general application to antibodies regardless of CDR or that relate solely to the constant region of antibodies, (b) are not in any way specific to the CDR of any Program Antibody or Program-Benefited Antibody, and (c) are not claimed in a Patent claim that recites the sequence of all or any portion of such CDR in an independent claim, whether or not including a homology range or permitted level of substitution or variance (or specific substitutions, variations or positions for placement of substitutions or variations) from, to or within such sequence.

As non-limiting examples, the following would qualify as Adimab Platform/Core Technology Improvements if they were Adimab Program Inventions: [***].

Antibody Sequence Coverage shall not be deemed Adimab Platform/Core Technology Improvements. Adimab Platform/Core Technology Improvements do not include inventions claimed by Broad Target/Non-CDR Antibody Patents (which, to avoid doubt, in accordance with the definition thereof, do not encompass any Program Inventions of which Adimab is an inventor in whole or in part with respect to clause (2) of the first paragraph of that definition).

1.8 "**Adimab Program Inventions**" means (a) all Program Inventions for which Adimab (or its Affiliate) has (meaning that it employs or has engaged as a consultant when the applicable inventive activity occurred) at least [***] person who would be a properly named inventor on the U.S. Patent claiming such invention, other than Joint Inventions, and (b) all other Program Inventions arising from Program Know-How owned by Adimab based on the application of Section 5.1. Inventorship for purposes of this definition, and all intellectual property-related definitions in this Agreement, shall be determined in accordance with United States patent law.

1.9 "**Adimab True-Up Amount**" has the meaning given in Section 9.6.

1.10 "**Affiliate**" means, as to a given entity, another entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first entity. For purposes of this definition, "control" means the ownership of fifty percent (50%) or more of the voting securities entitled to elect the directors or management of the entity, or the actual power to elect or direct the management of the entity. Adimab and Kairos shall not be deemed to be Affiliates of each other, nor shall Affiliates of Kairos be deemed to be Affiliates of Adimab (due to a common control relationship), or vice versa. Moreover, notwithstanding anything in this Agreement to the contrary, any venture capital fund, private equity fund or other investor who is not primarily an operating biopharmaceutical, pharmaceutical, diagnostics, or medical device research and development and/or marketing company (a "**Non-Affiliate Investor**") shall not be considered an Affiliate of Kairos, and any person or entity that directly or indirectly controls or is controlled by a Non-Affiliate Investor (except for any entity directly or indirectly controlled by Kairos, controlling Kairos, or under common control with Kairos, in each case other than through Non-Affiliate Investor(s)) shall not be considered an Affiliate of Kairos solely by reason of being controlled by the same Non-Affiliate Investors. The foregoing sentence shall apply mutatis mutandis to Adimab.

1.11 "**Antibody Sequence Coverage**" means a Program Patent with respect to which all of the following clauses (a) through (c) apply: (a) includes independent claim(s) to the composition of matter of a Program Antibody, which claims recite as a claim limitation the sequence, in whole or in part, of the Program Antibody's CDR (whether in amino acid or nucleic acid format), whether or not including a homology range or permitted level of substitution or variance (or specific substitutions, variations or positions for placement of substitutions or variations) from, to or within such sequence ("**Program Antibody CDR-Specific Claims**"); (b) may also include other independent claim(s) reciting such a claim limitation and directed to the use or formulation of a Program Antibody and/or Broad Target/Non-CDR Antibody Inventions; and (c) does not include any independent claim(s) not described by (a) or (b). Adimab shall be entitled to require separate filings in order to separate claims that standing alone would be Antibody Sequence Coverage from other claims that standing alone would be either Adimab Platform/Core Technology Improvements or Broad Target/Non-CDR Antibody Patents. Furthermore, Adimab shall be entitled to require separate filings in order that Specific Sequence Information related to Program Antibodies that are not (and do not become) Licensed Antibodies are not disclosed after publication of Program Patents that do contain Sequence Specific Information for Licensed Antibodies.

1.12 "**Audited Party**" has the meaning given in Section 4.12(a).

1.13 "**Auditing Party**" has the meaning given in Section 4.12(a).

1.14 "**Bankruptcy Code**" has the meaning given in Section 9.7.

1.15 "Broad Target/Non-CDR Antibody Invention" means (1) any Program Invention or Program Know-How that relates directly to a Target (or invention that is invented using Program Antibodies or Program-Benefited Antibodies that bind to such Target, or an epitope thereof), including (a) the Target itself and any fragments thereto, (b) assaying for the Target or for antibodies or other modulators to such Target (or fragments thereof), including biochemical *in vitro* or *in vivo* assays, (c) the therapeutic and/or diagnostic utilities of modulating the Target (but for clarity excluding Antibody Sequence Coverage and Program Antibody Patents and methods of using the same), (d) that relates to any epitope of a Target, including by being a method specifically involving such epitope (including any therapeutic, prophylactic or diagnostic use of such epitope), and (e) a method specifically involving such epitope (including any therapeutic, prophylactic or diagnostic use of such epitope), and (2) any Kairos Program Invention (but no other Program Inventions) that (i) has general application to antibodies regardless of CDR or relates solely to the constant region of antibodies, (ii) is not in any way specific to the CDR of any Program Antibody or Program-Benefited Antibody, and (iii) is not claimed in a Patent claim that recites the sequence of all or any portion of such CDR in an independent claim, whether or not including a homology range or permitted level of substitution or variance (or specific substitutions, variations or positions for placement of substitutions or variations) from, to or within such sequence. Broad Target/Non-CDR Antibody Inventions that are Kairos Program Inventions (but no other Program Inventions) will not be Adimab Platform/Core Technology Improvements.

As non-limiting examples, the following would qualify as Broad Target/Non-CDR Antibody Inventions if (a) they were Program Inventions or Program Know-How: [***], and (b) if they were Kairos Programs Inventions (but no other Program Inventions): [***]. Antibody screening technologies and Non-CDR specific antibody engineering technologies will also qualify as Broad Target/Non-CDR Antibody Inventions if they did not constitute Adimab Platform/Core Technology Improvements (subject to the last sentence of the preceding paragraph).

Subject to the confidentiality and sequence non-disclosure provisions of this Agreement, a Patent claiming Broad Target/Non-CDR Antibody Inventions may recite a Program Antibody or Program-Benefited Antibody as an example, and this fact alone shall not cause the claimed invention not to be a Broad Target/Non-CDR Antibody Invention.

1.16 "**Broad Target/Non-CDR Antibody Patent**" means any Patent that is directed solely to a Broad Target/Non-CDR Antibody Invention. Broad Target/Non-CDR Antibody Patents include Patents directed to inventions expressed in terms of claiming antibodies that bind to the applicable Target (or an epitope of such Target), based on their binding characteristics (defined functionally or by reference to their interaction with the Target or epitope).

1.17 "**Business Day**" means a day that is not a Saturday, Sunday or public holiday in New York, New York, USA or Lebanon, New Hampshire, USA.

1.18 "**CDR**" means the complementarity-determining region of an antibody as defined by the Kabat numbering scheme or, the Chothia numbering scheme or, the IMGT database.

1.19 "**Collaboration**" means each Party's activities under a Research Program at any time during the Collaboration Term.

1.20 "**Collaboration Term**" means the period starting on the Effective Date and continuing until the later of (a) expiration of the Tail Period or (b) completion of any Research Program activities continuing thereafter; *provided, however,* that in no event will Adimab be required to expend resource beyond the Tail Period; and *provided, further, however,* that in no event shall the Collaboration Term extend beyond the date which is thirty (30) months from the Effective Date without the prior written consent of Adimab.

1.21 "**Combination Product**" means:

(a) a pharmaceutical composition that contains or is comprised of one or more Licensed Antibody(ies), and additionally contains or is comprised of one or more clinically active therapeutic or prophylactic ingredients that are not Licensed Antibody(ies);

(b) a therapeutic or prophylactic Product (whether or not a drug combination as described in (a) above) that is delivered by a proprietary, patented delivery device licensed from a Third Party, where the therapeutic or prophylactic Product and the patented delivery device are sold together for a single sales price; or

(c) a diagnostic Product that contains or is comprised of one or more Licensed Antibody(ies), and additionally contains or is comprised of one or more other antibodies that are not Licensed Antibody(ies) and/or also includes one or more other patented technology(ies)that is or are royalty-bearing to any Third Party.

1.22 "**Commercially Reasonable Efforts**" means, [***]. Commercially Reasonable Efforts shall be determined on a country-by-country basis, and it is anticipated that the level of effort will change over time reflecting changes in the status of the Product and the market involved.

1.23 "**Confidential Information**" has the meaning given in Section 6.1.

1.24 "**Control**" means, with respect to any Know-How or Patent, possession by a Party, directly or through an Affiliate, and whether by ownership or license (other than pursuant to this Agreement) of the ability to grant a license or sublicense or other right as provided for in this Agreement without violating the terms of any written agreement with any Third Party.

1.25 "**Cover**" means, with respect to a particular item and a particular Patent, that such Patent claims or covers, in any of the countries of manufacture, use, and/or sale, (a) the composition of such item, any of its ingredients or formulations or any product containing or that is made using such item (by virtue of such product containing or being made using such item); (b) a method of making or using any of the foregoing things referred to in (a); and/or (c) an item used or present in the manufacture of any of the foregoing things referred to in (a) (for example, with respect to a biologic, any vector, plasmid or cell line used to manufacture such product or item or any ingredient in either of them).

1.26 "**Epitope Patent**" means any Broad Target/Non-CDR Antibody Patent that is [***] to any invention that relates to any epitope of a Target, [***]. Epitope Patents include Patents directed to inventions [***].

1.27 "**Epitope Patent Compensation**" has the meaning given in Section 4.3(g).

1.28 "**Epitope Patent-Only Transaction**" means a Program Transaction that is only a Program Transaction because of the inclusion of Epitope Patents in the transaction (i.e., that do not otherwise include any Payment Patent(s), Licensed Antibody(ies) and/or Product(s)). A Program Transaction will not be a Epitope Patent-Only Transaction if (i) it is entered into contemporaneously with another Program Transaction, or (ii) regardless of timing, it is entered into with the same counterparty as any other transaction that itself would be a Program Transaction relating to the same Target. For the purpose of this definition, "same counterparty as" shall refer to the contracting entity and all Affiliates of such contracting entity.

1.29 "**Field**" means all therapeutic, prophylactic and diagnostic uses in humans or animals.

1.30 "**First Commercial Sale**" means, with respect to a Product in any country, the first sale, transfer or disposition for value or for end use or consumption of such Product in such country after Marketing Authorization has been received in such country.

1.31 "**Force Majeure**" has the meaning given in Section 10.7.

1.32 "**Full Payment Term Expiration**" has the meaning given in Section 9.5.

1.33 "**Full Time Equivalent**" or "**FTE**" means the equivalent of a full-time scientist's working days over a twelve (12) month period (taking account of normal vacations, sick days and holidays not being considered working days), which equates to a total of [***] hours per twelve (12) month period of scientific work performed by a fully qualified Adimab employee or consultant directly in the Collaboration. To provide an FTE over a given time period that is less than a year means to provide the proportionate share (corresponding to the proportion that such time period bears to a full year) during such time period of a full year's FTE. In no event shall the work over the course of a year of one individual person account for more than one (1) FTE year.

1.34 "**FTE Rate**" means [***] per FTE [***] on a quarterly basis).

1.35 "**Indemnify**" has the meaning given in Section 8.1.

1.36 "**IND**" means an Investigational New Drug application, or similar application or submission to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformance with the requirement of such Regulatory Authority, and any amendments thereto.

1.37 "**Interest Payment**" has the meaning given in Section 4.9.

1.38 "**Joint Inventions**" means any and all Program Inventions for which Adimab (or its Affiliate) and Kairos (or its Affiliate) each have (meaning that each employs or has engaged as a consultant) at least [***] person who would be a properly named inventor on the U.S. patent claiming such invention. Inventorship for purposes of this definition, and all intellectual property-related definitions in this Agreement, shall be determined in accordance with United States patent law.

1.39 "**Joint Program Antibody Patent**" means any Program Antibody Patent the invention of which is a Joint Invention.

1.40 "**Joint Serendipitous Inventions**" means all Joint Inventions other than those claimed by Joint Program Antibody Patents or constituting Adimab Platform/Core Technology Improvements or Broad Target/Non-CDR Antibody Inventions or inventions claimed in Antibody Sequence Coverage.

1.41 "**Kairos Change of Control**" means any (i) a merger or consolidation in which Kairos is a constituent party, except any such merger or consolidation in which the equity ownership of Kairos outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of equity securities that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the equity ownership of the surviving or resulting entity (or the ultimate parent entity of such surviving or resulting entity) or (ii) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by Kairos of all or substantially all the assets of Kairos. Notwithstanding anything express or implied in this definition, (a) any of the foregoing transaction(s) shall not constitute an "Kairos Change of Control" if (1) the business of Kairos immediately prior to such transaction(s) is the primary business of Kairos or the surviving entity immediately after such transaction(s), and (2) Kairos or the surviving entity, immediately after such transaction(s), if controlled, is controlled (as "control" is defined in the definition of Affiliate), directly or indirectly, through zero, one or more intermediaries, exclusively by any one or more venture capital funds, private equity funds or other investors each of whom is not primarily an operating biopharmaceutical, pharmaceutical, diagnostics, or medical device research and development and/or marketing company and is not controlled (as "control" is defined in the definition of Affiliate) by such an operating company, and (b) if Kairos becomes Affiliated with any [***] pharmaceutical or [***] biopharmaceutical company, regardless of the form of the transaction(s) and which entity is the surviving entity, this shall be a Kairos Change of Control for purposes of this Agreement. Notwithstanding anything express or implied in this definition, Kairos Change of Control excludes Subsidiary Trade Sales.

1.42 "**Kairos Indemnitees**" has the meaning given in Section 8.1.

1.43 "**Kairos Materials**" means any tangible biological or chemical materials (including antigen samples and other Know-How in the form of tangible biological or chemical materials) provided by Kairos to Adimab under any Research Program.

1.44 "**Kairos Program Inventions**" means (a) all Program Inventions for which Kairos (or its Affiliate) has (meaning that it employs or has engaged as a consultant when the applicable inventive activity occurred) at least [***] person who would be a properly named inventor on the U.S. Patent claiming such invention, other than Joint Inventions, and (b) all other Program Inventions arising from Program Know-How owned by Kairos based on the application of Section 5.1. Inventorship for purposes of this definition, and all intellectual property-related definitions in this Agreement, shall be determined in accordance with United States patent law.

1.45 "**Know-How**" means all technical information and know-how, including inventions, discoveries, trade secrets, specifications, instructions, processes, formulae, materials (including cell lines, vectors, plasmids, nucleic acids and the like), methods, protocols, expertise and other technology applicable to formulations, compositions or products or to their manufacture, development, registration, use or marketing or to methods of assaying or testing them or processes for their manufacture, formulations containing them or compositions incorporating or comprising them, and including all biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical, physical and analytical, safety, quality control, manufacturing, preclinical and clinical data, instructions, processes, formula, and expertise that, in each case, is not in the public domain.

1.46 "**License-Competitive Infringement**" has the meaning given in Section 5.7(a)(i).

1.47 "**Licensed Antibody**" has the meaning given in Section 3.2.

1.48 "**Licensed Program Antibody Patents**" means those Program Antibody Patents that Cover any Licensed Antibodies or Products.

1.49 "**Losses**" has the meaning given in Section 8.1.

1.50 "**Major Market**" means any of the United States, Great Britain, France, Germany, Italy, or Spain.

1.51 "**Marketing Authorization**" means all approvals from the relevant Regulatory Authority necessary to market and sell a product (including a Product) in any country, including a Biologics License Application (BLA) in the U.S.

1.52 "**Multi-Product Deal**" means a Program Transaction in which rights are granted to both (a) one or more Licensed Antibodies and/or Products, and (b) one or more antibodies, drugs and/or products that (i) are not Licensed Antibodies and/or Products, and (ii) are not Program-Benefited Antibodies.

1.53 "**Multi-Product Deal Program Transaction Revenue**" means, in a Multi-Product Deal, the portion of the Program Transaction Revenue for that Multi-Product Deal that is allocated and designated as Multi-Product Deal Program Transaction Revenue as provided in Section 4.3(c).

1.54 "**Net Sales**" means the gross amount invoiced by Kairos or its Affiliates, or their Program Transaction counterparties (or their Affiliates) in Program Transactions for which the Royalty Election is made, for the sale, transfer or other disposition of Product to other Third Parties (in final form for end use or in whatever form is sold to Third Parties who are not Program Transaction counterparties (or their Affiliates)), less any of the following applicable deductions to the extent actually granted and included in the invoiced amounts:

(a) normal, customary trade discounts (including volume discounts), credits, chargebacks, rebates, and allowances and adjustments for rejections, recalls, outdated products, and returns, in each case whether voluntary or required;

(b) freight, shipping, and insurance;

(c) sales, use, excise, value-added and similar customs, taxes, tariffs or duties and other governmental charges imposed on such sale, transfer, or other disposition (but in no case taxes on income);

(d) credits actually given or allowances actually made for wastage replacement, Medicare/Medicaid rebates, indigent patient and similar programs to provide Product for free; or

(e) amounts written off by reason of uncollectible debt solely with respect to payments payable for Product to the extent consistent with Accounting Standards, as determined on a country-by-country basis, but such deduction for uncollectible debt shall not to [***] of gross amounts invoiced country-by-country in any twelve (12) month period.

Even if there is overlap between any of deductions (a) - (e), each individual item shall only be deducted once in each Net Sales calculation.

Net Sales calculated as described above shall be adjusted for Combination Products, as provided in Section 4.5(d). The same adjustment shall be applied to product bundles (in the countries where bundling is permitted under anti-trust law, if any).

Net Sales excludes amounts from sales or other dispositions of Product between Kairos and any of its Affiliates, and Program Transaction counterparties (and their Affiliates), solely to the extent that such entity purchasing a Product either (a) resells such Product to another Third Party not Affiliated with any of them and such resale is included in Net Sales, or (b) the quantities are for use to be provided free to patients in a Product clinical trial.

1.55 "**Non-Affiliate Investor**" has the meaning given in Section 1.10.

1.56 "**Option**" has the meaning given in Section 3.2.

1.57 "**Option Evaluation Period**" means, with respect to a Target and the Program Antibodies to such Target, the period commencing with the first day of the applicable Option Term and ending on the earlier of (a) the date of Option exercise or (b) the expiration the Option Term.

1.58 "**Option Term**" means, for each Target, the [***].

1.59 "**Paid/Achieved Event**" has the meaning given in Section 4.8.

1.60 "**Party**" means Adimab or Kairos.

1.61 "**Patent**" means any patent application or patent anywhere in the world, including all of the following kinds: provisional, utility, divisional, continuation, continuation-in-part, and substitution applications; and utility, re-issue, re-examination, renewal and extended patents, and patents of addition, and any Supplementary Protection Certificates, restoration of patent terms and other similar rights.

1.62 "**Payment Patent**" means any (a) Licensed Program Antibody Patent (to avoid doubt these by definition are not directed to Broad Target/Non-CDR Antibody Invention(s) or Broad Target/Non-CDR Antibody Patent(s), unless covered by the next clause (b)), and (b) Epitope Patents.

1.63 "**Phase I Trial**" has the meaning given in Section 4.8.

1.64 "**Phase II Trial**" has the meaning given in Section 4.8.

1.65 "**Product**" means any device, biologic or drug (or investigational device, biologic or drug) for use in the Field that contains one or more (a) Licensed Antibody(ies), or (b) modified or derivative form of any Licensed Antibody, including any: (i) fragment of a Licensed Antibody, (ii) pegylated version (whether or not associated with amino acid changes) of a Licensed Antibody, (iii) otherwise chemically modified versions (including amino acid substitutions to implement or associated with the chemical modification) of a Licensed Antibody, and (iv) version of such antibody with a wholly or partially different Fc or constant region.

Products include Combination Products; *provided, however,* that this inclusion shall not be read to provide a license for any antibody or other active ingredient or component in a Combination Product that is not a Licensed Antibody, under independent intellectual property (including Patents and Know-How) of Adimab or its Affiliate Covering or with respect to such antibody or other ingredient on a stand-alone basis apart from its inclusion in the Combination Product. The same principle shall apply to exclude proprietary devices and diagnostic methods of Adimab and its Affiliates that do not constitute Adimab Platform/Background Patents and are not Program Inventions.

1.66 "**Program Antibody**" means each antibody identified and delivered by Adimab to Kairos under a Research Program. For this purpose, "delivery" will occur through Adimab providing quantities of the antibody itself (in sufficient amount to conduct cell based assays), and disclosing to Kairos the nucleic acid sequence coding for such antibody. "Sequence" of a Program Antibody refers interchangeably, and throughout this Agreement, to the amino acid sequence of such antibody and any nucleic acid sequence coding for it.

1.67 "**Program Antibody CDR-Specific Claims**" has the meaning given in Section 1.15.

1.68 "**Program Antibody Patents**" means Program Patents that (a) Cover a Program Antibody or product containing a Program Antibody; (b) do not Cover Adimab Platform/Core Technology Improvements or Broad Target/Non-CDR Antibody Inventions; and (c) are not Broad Target/Non-CDR Antibody Patents. Patents that constitute Antibody Sequence Coverage are a subset of Program Antibody Patents hereunder, but those Patents that constitute Antibody Sequence Coverage may be treated differently hereunder.

1.69 "**Program-Benefited Antibody**" has the meaning given in Section 3.5(a).

1.70 "**Program Inventions**" means any invention that is conceived and/or first reduced to practice in whole or in part by employees, contractors or agents of either Party or of both Parties in the course of the Collaboration or the evaluation of a Program Antibody during the applicable Option Evaluation Period.

1.71 "**Program Know-How**" means all Know-How made, developed, invented or discovered by employees, contractors or agents of either Party or of both Parties in the course of the Collaboration or the evaluation of a Program Antibody during the applicable Option Evaluation Period, excluding Program Inventions claimed in any Program Patent that has published or issued.

1.72 "**Program Patent**" means any Patent claiming a Program Invention.

1.73 "**Program Trade Sale Proceeds**" means the amount of money in a Kairos Change of Control allocated to the Undesignated Rights, as determined in accordance with Section 4.3(c). For clarity, if the proceeds of a Kairos Change of Control are subject to increase by contingent payments related to future events and/or release of escrowed amounts, such increased amounts shall be included as Program Trade Sale Proceeds only as and when such payments are received by Kairos, its Affiliate(s), or shareholder(s) or former shareholder(s) of any of them (but in this last case only if they are receiving payments due to their shareholding prior to the Kairos Change of Control).

1.74 "**Program Transaction**" means any and all agreements, transactions or arrangements that include a grant by Kairos or its Affiliate(s) to any Third Party of rights of any kind with respect to any Payment Patent(s), Licensed Antibody(ies) and/or Product(s), regardless of the form of transaction, including asset sales, assignments, licenses, covenants not to sue, grants of distribution rights, Subsidiary Trade Sales and options for any of the foregoing. Program Transactions exclude (a) a Kairos Change of Control and any such transactions entered into by Kairos or its successor after, and that do not form any part of (i.e. do not form part of a series of transactions constituting), a Kairos Change of Control, and (b) agreements with contract manufacturing organizations (CMOs), contract research organizations (CROs), academic research organizations (AROs) and other contractors, or academic, non-profit or governmental entities, in each case where (1) the agreement counterparty is performing services for or collaborating with Kairos or its Affiliates and the counterparty and its Affiliates are not granted any commercialization rights of any kind with respect to any Payment Patent(s), Licensed Antibody(ies) and/or Product(s) (including options for commercial rights) (whether pursuant to the same or under a different agreement) and (2) no material revenue will be received by Kairos or any of its Affiliates.

If multiple related or reasonably contemporaneous agreements, transactions or arrangements with any given Third Party (or set of related or affiliated Third Parties) are entered into by Kairos or its Affiliate (or any combination of them), and one such agreement, transaction or arrangement would alone be a Program Transaction, then all such related or reasonably contemporaneous agreements, transactions or arrangements shall together be considered a single Program Transaction, although, for clarity, such Program Transaction may be treated as a Multi-Product Deal hereunder, if applicable. [***].

1.75 "Program Transaction Revenue" means all consideration (including monetary and non-monetary consideration in all forms other than not-readily-monetizable covenants that are customary in out-licensing deals in which the out-licensor is not obtaining rights to any unrelated intellectual property or products of the licensee, as further described in the last paragraph of this definition) actually received by Kairos or its Affiliate or shareholders in either of them, from any Third Party in connection with a Program Transaction, excluding only:

(a) [***];

(b) [***];

(c) [***];

(d) [***];

(e) [***];

(f) [***];

(g) [***].

Other than in the case of a Multi-Product Deal (which shall be handled as provided for in Section 4.3(c), as applicable), there shall be no adjustment, proportionality or scaling of any kind to or of Program Transaction Revenue for the inclusion, in addition to Program Know-How or Licensed Program Antibody Patents, of other intellectual property or rights in the Program Transaction (e.g., clinical data or trademarks in addition to Licensed Program Antibody Patents); *provided*, *however,* that in the case of a Combination Product, the allocation of Program Transaction Revenue shall be subject to further potential adjustment under Section 4.3(c).

If Kairos receives Program Transaction Revenue in a form other than immediately available funds (for example, in equity of a Third Party), then Adimab shall receive its share of the Program Transaction Revenue in the same forms and in the same proportions as does Kairos (i.e., Adimab will receive its share in the same mix of immediately available funds and in-kind consideration as Kairos), or if the Parties agree on a case-by-case basis that such an in-kind distribution is not practical, then Kairos shall pay Adimab's share, calculated based on the fair market value of such in-kind consideration, in cash or wire transfer of immediately available funds. If the Parties do not agree that the in-kind distribution is not practical, then Adimab shall have the right to decline and forgo its share of in-kind consideration on a case-by-case basis. For clarity, if Program Transaction Revenue is subject to increase by contingent payments related to future events and/or release of escrowed amounts, such increased amounts shall be included as Program Transaction Revenue only as and when such payments are received by Kairos (or its Affiliate or shareholders in Kairos or its Affiliates).

The following types of consideration in a Program Transaction are not considered and shall be deemed excluded from Program Transaction Revenue: [***].

1.76 "**Purpose**" has the meaning given in Section 6.1.

1.77 "**Regulatory Authority**" means the FDA or any counterpart of the FDA outside the United States.

1.78 "**Related Parties**" has the meaning given in Section 4.12(a).

1.79 "**Research Committee**" has the meaning given in Section 2.1(a).

1.80 [Intentionally Omitted]

1.81 "**Research Plan**" means any research plan providing for a program of research that the Research Committee may finalize and the Parties approve in writing as provided for in Section 2.2. It is anticipated that there may ultimately be 9-15 Research Plans under the Collaboration, but the final number of Research Plans is not currently known. All Research Plans will be numbered consecutively. All Research Plans shall comply with the applicable requirements stated in Section 2.2.

1.82 "**Research Program**" means a program of research conducted under this Agreement in accordance with a Research Plan. Research Program 1 is the program of research under Research Plan 1. Each Research Program shall have the same number as the Research Plan to which it corresponds.

1.83 "**Research Term**" means, for each Research Program, the period beginning when Kairos first delivers Kairos Materials under such Research Program to Adimab, and ending when Adimab completes the activities called for under the Research Plan for that Research Program.

1.84 "**Revenue Election**" has the meaning given in Section 4.3(a)(i).

1.85 "**Royalty Election**" has the meaning given in Section 4.3(a)(ii).

1.86 "**Royalty Term**" has the meaning given in Section 4.5(b).

1.87 "**Senior Executives Discussions**" has the meaning given in Section 10.2(a).

1.88 "**Specific Sequence Information**" has the meaning given in Section 3.5(a).

1.89 "**Start Date**" means the date that Adimab designates in writing to Kairos as the date upon which the Adimab campaign team will start the first Research Program under this Agreement. Adimab shall provide this written designation to Kairos within two (2) weeks after the Effective Date.

1.90 "**Subject Antibody Library**" has the meaning given in Section 2.9.

1.91 "**Subsidiary Trade Sale**" means, with regard to any subsidiary Affiliate of Kairos that does not hold or have the right to obtain all or substantially all of the Undesignated Rights under this Agreement, any transaction, or series of related transactions, that would constitute a Kairos Change of Control if the name of the subsidiary Affiliate was substituted for the name of Kairos in the definition of Kairos Change of Control. For clarity, Subsidiary Trade Sales are Program Transactions.

1.92 "**Success Criteria**" shall mean, for each Research Program, the criteria set forth in the applicable Research Plan for the characteristics that are being sought in the Program Antibodies to the corresponding Target, as a group. Success Criteria may be defined with respect to a population of antibodies, such that some specified number (less than all) of the Program Antibodies delivered by Adimab may be required to meet different criteria, and in that case if the population of Program Antibodies collectively meet those criteria (by the minimum numbers of individual antibodies meeting different of the articulated criteria set forth in the applicable Research Plan), then the Success Criteria shall be deemed met. For clarification, when applicable, a single given antibody will have to fulfill multiple previously agreed upon success criteria. Two antibodies, one of which fulfills affinity criteria and the other of which fulfills epitope binding domain criteria, will not together be deemed to fulfill the success criteria of a given Research Plan if such success criteria included the identification of a single antibody with a given affinity and a given binding epitope.

1.93 "**Tail Period**" means the [***] beginning at the end of the Target Nomination Period.

1.94 "**Target**" means the disease-related biological target of interest to Kairos that is specifically identified in Research Plan 1, or the disease-related biological target of interest to Kairos that is specifically identified in any subsequent Research Plan. Different epitopes on or serotypes of the same molecule that is a biological target of interest will not be deemed to be different Targets, and Target shall be defined by reference to entire molecules rather than individual serotypes/epitopes (although activities may be focused on specific serotype/epitopes).

1.95 "**Target Nomination Period**" means the period beginning on the Effective Date and ending on the [***] anniversary thereof.

1.96 "**Territory**" means worldwide.

1.97 "**Third Party**" means an entity other than a Party or the Affiliate of a Party.

1.98 "**Third-Party Claims**" has the meaning given in Section 8.1.

1.99 "**Undesignated Rights**" means those commercial rights in and to a Licensed Antibody (and/or the Products comprised of such Licensed Antibody) as to which a Revenue Election or Royalty Election has *not* previously been made or been deemed made (e.g., with respect to particular jurisdictions, indications and/or fields of use).

1.100 References in the body of this Agreement to "Sections" refer to the sections of this Agreement. The terms "include," "includes," "including" and derivative forms of them shall be deemed followed by the phrase "without limitation" regardless of whether such phrase appears there (and with no implication being drawn from its inconsistent inclusion or non-inclusion).

1.101 To avoid doubt, the term "antibody" as used everywhere else in this Agreement includes both full-length antibodies, fragments thereof, and chemically modified versions thereof (including pegylated versions and regardless of whether containing amino acid substitutions), all of the foregoing whether naturally occurring, artificially produced, raised in an artificial system, or created through modification of an antibody produced in any of the foregoing ways or otherwise.

ARTICLE 2

PROGRAM.

2.1 Scientific Research Committee.

(a) Research Committee. Promptly after the Effective Date, the Parties shall form a steering committee consisting of [***] representatives from each Party (the "**Research Committee**"). Either Party may change its Research Committee members upon written notice to the other Party.

(b) Meetings. The Research Committee shall hold its first meeting within [***] days after the Effective Date. Thereafter, it shall meet from time to time promptly after the date of a written request by either Party, and in any event no less frequently than quarterly during the Collaboration Term. The Research Committee may meet in person or by teleconference or videoconference. Each Party shall designate one of its Research Committee members as co-chair. The co-chairs shall be responsible to circulate a written agenda in advance of each Research Committee meeting. The co-chairs shall be responsible to circulate, finalize and agree in writing on minutes of each meeting within [***] days after the meeting date. Each Party shall be entitled to have a reasonable number of its employees and consultants who are not Research Committee members attend Research Committee meetings from time to time; *provided*, *however,* that such employees and consultants are subject to written confidentiality and non-use obligations that are no less stringent than the confidentiality obligations and restrictions on use set forth in Article 6.

(c) Responsibilities. The Research Committee's role is to (i) facilitate communication regarding progress and results under the Collaboration and as to individual Research Programs; (ii) review and discuss reports provided by each Party; (iii) be the working group that will prepare and finalize new proposed research plans for approval by each Party; (iv) prioritize among Research Programs (including terminating or postponing Research Programs); (v) discuss and approve any research to be performed by or in collaboration with a Third Party that is primarily in the commercial antibody discovery business (as described in Section 2.8(c)), if approved by Adimab in its sole discretion; (vi) recommend to Kairos additional research activities not described in a Research Plan that Kairos may, in its sole discretion, authorize Adimab to perform in the event that there is additional capacity in the Adimab FTE commitment described in Section 2.4 that is not being utilized; and (vii) perform such other activities as the Parties agree in writing shall be the responsibility of the Research Committee.

(d) Decision-Making. Day-to-day Research Program management and implementation shall be the responsibility of the Parties' respective technical teams as regards each Party's Research Program responsibilities. The Research Committee shall have the limited authority to (i) amend each Research Plan in a manner not substantially affecting resources required to perform such Research Plan or Success Criteria or altering timing for performance in a way that consumes fewer FTEs than scheduled unless Adimab consents in writing in its sole discretion or receives no less than [***] days' notice prior to the FTE reduction (in the latter case, subject always to and without altering the minimum FTE funding requirements in Section 4.2), and (ii) prioritize among Research Programs (including terminating or delaying Research Programs, subject always to the same notice requirements prior to reducing FTEs as set forth in subsection (i) and subject always to and without altering the minimum FTE funding requirements in Section 4.2). Except for the limited authority set forth in the foregoing sentence, the Research Committee shall not have any decision-making authority and the Research Committee shall have no power to amend or waive compliance with this Agreement or any Research Plan. Decisions within the purview of the Research Committee shall be made by the Research Committee by consensus, with the representatives of each Party collectively having one vote on behalf of such Party. For each meeting of the Research Committee, at least [***] representative of each Party shall constitute a quorum. If the Research Committee is unable to reach a consensus with respect to a dispute within its purview (to avoid doubt, general contractual disputes and disputes as to any decisions reserved to a Party shall not be deemed to be within the Research Committee's purview), then the dispute resolution provisions of Section 10.2(a) shall apply; *provided, however,* that (x) disputes regarding new research plans shall be resolved as set forth in Sections 2.2(e) and (f); (y) [***] shall have final decision-making authority regarding the prioritization of Research Programs (including terminating or postponing Research Programs (subject to the notice and FTE funding qualifications described in clauses (i) and (ii) above in this paragraph)); and (z) other than a dispute as to whether each Party has acted in good faith and in accordance with this Agreement in its participation in the Research Committee, disputes of the Research Committee not resolved by the Senior Executives Discussions under Section 10.2(a) shall not be justiciable and (absent such a failure to act in good faith and in accordance with this Agreement) shall not be litigated, and the disputed Research Committee decision not falling within (x) or (y) and not resolved under (z) shall simply not be taken.

2.2 Addition of New Targets and Research Plans/Programs.

(a) Multiple Targets/Programs at Signing, and Likelihood of More. The Parties wish to engage in the Collaboration, consisting of multiple Research Programs. It is anticipated that Targets will be added by Kairos to the Collaboration, consistent with the procedures provided in this Section.

(b) Selection/Notice by Kairos.

(i) Selection of Targets. During the Target Nomination Period, Kairos shall have the right to propose new biological targets that it wishes to add to the Collaboration as Targets, by written notice to Adimab. Such written notice may be (but is not required to be) included in one of Kairos's regular reports under Section 2.5(c) or in a written request for a Research Committee meeting.

(ii) Limited Right to Reject Targets. Adimab has no right to reject proposed Targets for reasons other than (x) technical feasibility or (y) a good faith concern by Adimab that working on such Target(s) for Kairos could create the appearance that confidential information of another Adimab partner was passed to Kairos; *provided*, *however,* that with respect to clause (y), Adimab may not reject a Target (1) unless Adimab has already been informed by a current or prospective Adimab partner that such partner intends to pursue such Target; and (2) if there is a published scientific article or a presentation at a scientific meeting discussing the biological function of such Target that Kairos desires to modulate with a Program Antibody. Prior to making a determination to reject a Target in accordance with clause (y) of the previous sentence, Adimab shall notify Kairos that Adimab is considering rejecting such Target and Kairos may, at its option, provide Adimab with a letter signed by the Chief Executive Officer of Kairos and any additional information Kairos may provide describing when and how the decision to pursue such Target was made by Kairos, including references to specific meetings and documents to the extent applicable. In the event that Adimab determines not to reject such Target, Adimab may request a written summary of such information for the sole purpose of demonstrating to such other partner that there was no leakage of such partner's confidential information to Kairos.

(c) Questionnaire and Drafting Process. Promptly after Kairos's notice, Kairos shall fill out and send to Adimab the Research Program Questionnaire (the form of which is attached as Exhibit A), as well as a draft research plan (or, if the notice does not include a draft research plan, then Adimab shall provide the first draft of the research plan based on the input from the Research Program Questionnaire). Promptly after Adimab receives the completed Research Program Questionnaire and draft research plan from Kairos (within [***] days), Adimab shall review the Research Program Questionnaire and draft research plan and shall provide Kairos with any comments or questions, which will form the basis for a Research Committee meeting. If the Research Committee approves the general research plan concept, the Research Committee shall designate a working group consisting of the technical teams of both Parties that shall finalize the Research Plan within a period of no longer than [***] weeks. The Parties shall work together collaboratively (through the Research Committee and otherwise) to revise and reach consensus on the plan.

(d) Required Content in Each Proposed Research Plan. Each proposed research plan shall comply with all of the following:

(i) The plan shall clearly identify the Target for which Kairos provided its notice, in a manner consistent with the definition of Target.

(ii) The plan shall clearly identify Success Criteria for the applicable Target. If applicable, it shall additionally distinguish the criteria that serve contractually as requirements to meet the Success Criteria for purposes of this Agreement, from other criteria (if any) that are desired characteristics but are not required to be met in order for the Success Criteria to be achieved in the applicable Research Program for purposes of this Agreement (i.e., required versus preferred characteristics).

(iii) The plan shall describe the Kairos Materials to be provided.

(iv) The plan shall describe the Adimab deliverables in reasonable detail.

(v) The plan shall describe a timeline for (w) delivery of the Kairos Materials to Adimab, (x) commencement of Adimab's work under the plan, (y) delivery by Adimab of Adimab's deliverables under the plan, and (z) if applicable, any "optional" research activities of Adimab under the plan, described below.

(vi) The plan shall describe any research to be performed by or in collaboration with a Third Party that is approved as described in Section 2.8(c).

The plan may also include additional research activities that Kairos may, in its sole discretion, authorize Adimab to perform in the event that there is additional capacity in the Adimab FTE commitment described in Section 2.4 that is not being utilized. Such additional research activities shall be identified as "optional" in the Research Plan, and shall only be performed by Adimab if so authorized by Kairos in writing. For example, if a Research Plan stage is delayed because required Kairos Materials are not available, Kairos may authorize Adimab to undertake some or all of the "optional" research activities described in one or more Research Plans.

(e) Process Timeline and Approval Process. The process at the Research Committee level is intended to take about [***] days. Once consensus has been reached at the Research Committee level, the proposed research plan, along with a written estimate of the FTEs required to perform Adimab's responsibilities under each stage of the plan, shall be sent by the Research Committee for formal approval within each Party. Each Party shall respond in writing with its approval of the plan, or with any concerns, within [***] days. Neither Party shall unreasonably withhold, delay or condition its approval to a proposed plan that is consistent with the standards above (at either the Research Committee consensus or the approval-by-the-Parties stage). If a Party does not approve the proposed final plan, it shall provide a reason in writing and the Research Committee shall seek in good faith to find a solution, revise the plan, and resubmit for formal approval within [***] days. The plan shall become a Research Plan under this Agreement, and if applicable, the target that it identifies shall become a Target under this Agreement, when an officer for each Party signs an approval letter approving the final plan.

(f) Escalation in Case of Failure to Reach Consensus. If the Research Committee is unable to reach consensus on a new research plan (either initially or after an initial plan is sent for approval but rejected by either Party), then either Party may refer the matter for further discussions by an officer or director of each Party, who is not an officer or director of and does not have (or represent a fund that has) an equity or debt interest in the other Party, directly or indirectly. Each Party shall be entitled to select its representative and shall make such representative reasonably available for discussions and seek in good faith to resolve the dispute over a period not longer than [***] days. In the absence of consensus, the proposed plan shall not be a Research Plan under this Agreement, but a Party shall be entitled to proceed to further escalation and dispute resolution under Section 10.2(a) regarding the issue of whether the other Party has unreasonably withheld, delayed or conditioned its approval of the proposed research plan as a Research Plan.

2.3 Research Program Performance. Each Party shall use its reasonable efforts to carry out the Research Program activities assigned to such Party in each Research Plan, on the applicable timeline set forth in such Research Plan. Adimab shall deliver to Kairos the Program Antibodies and all other deliverables described in each Research Plan in accordance with the timetable set forth therein, but no later than the end of the applicable Research Term, unless a Kairos re-prioritization of Research Programs results in a different timeline. Adimab's performance obligations under each Research Plan shall be contingent upon Kairos providing the Kairos Materials set forth in such Research Plan and the FTE funding as provided in this Agreement, and shall expire at the end of the Research Term. Kairos's performance obligations relating to testing of Program Antibodies under a Research Plan are contingent upon Adimab providing the Program Antibodies as detailed in the Research Plan that collectively meet the applicable Success Criteria.

2.4 Collaboration FTE Commitments.

(a) FTE Commitment. Throughout the Target Nomination Period, Adimab will make available to dedicate to the Collaboration a minimum of [***] campaign team consisting of [***] FTEs in the aggregate (to avoid doubt, individual scientific personnel may rotate on and off the campaign team and any given FTE may consist of the time of more than one person (for non-limiting example, two half-time people)). During the Target Nomination Period, Adimab will devote such FTEs to performing Research Programs to the extent there are Research Programs (and applicable Kairos Materials received to enable Adimab performance). During the Target Nomination Period, more than [***] FTEs may be performing activities under the Research Programs at any given time; *provided, however,* that the total number of FTEs performing such activities shall not exceed [***] FTEs on average in any calendar quarter without the prior written consent of both Parties; and *provided, further, however,* that Adimab shall not be required to expend more than [***] FTEs in any calendar quarter if Kairos declines to so consent, regardless of the requirements or commitments set forth in a Research Plan or the resources required to perform such Research Program. No later than [***] months prior to the expiration of the Target Nomination Period, Kairos shall notify Adimab in writing of those Research Programs that Kairos elects (in its sole discretion) to pursue during the Tail Period (or any portion thereof) and Adimab will provide Kairos with a schedule of the FTE usage required by Adimab to continue such Research Programs during the Tail Period, which schedule will be based on the then-current Research Plan for such Research Programs. If Kairos so elects, during the Tail Period Adimab will devote the number of FTEs set forth on such schedule; *provided, however,* that Adimab's aggregate FTE commitment during the Tail Period shall not exceed [***] FTEs per year over such period taken as a whole without the prior written consent of both Parties; and *provided, further, however,* that Adimab shall not be required to expend more than [***] FTEs in such calendar quarter if Kairos declines to so consent, regardless of the requirements or commitments set forth in a Research Plan or the resources required to perform such Research Program. Adimab shall not be required during the Target Nomination Period or during the Tail Period to devote any FTEs to performing Research Programs, other than FTEs funded by Kairos under Section 4.2.

(b) Funding. Kairos is responsible to fund the FTEs devoted by Adimab to the Collaboration as set forth in Section 4.2. In no event shall Kairos be required to fund more than [***] FTEs during the Target Nomination Period unless agreed to by Kairos in writing. For clarity, an e-mail from Kairos explicitly authorizing such additional work shall be deemed to be "in writing" for these purposes.

(c) Exclusive Use of Campaign Manager. During the applicable Research Term and for a period of [***] year after, the person whom Adimab has designated as the "Campaign Manager" for a given Research Program shall not perform, or supervise the performance of, research relating to the corresponding Target using Adimab Platform/Core Technology for Adimab or its Affiliates (whether for their own account or on behalf of any Third Party). It is understood and agreed that if such a person is no longer in Adimab's or its Affiliate's employ, then such person's activities for another employer are beyond the scope of (and are not Adimab's responsibility to prevent under) the foregoing sentence.

2.5 Records and Reports.

(a) Records. Each Party shall maintain scientific records, in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, which shall fully and properly reflect all work done and results achieved in the performance of the Collaboration. All such records and the information disclosed therein shall be maintained in confidence in accordance with Article 6 to the extent reflecting Confidential Information of the other Party. Adimab shall not be required to disclose Adimab Platform/Core Technology to Kairos, even if reflected in such records.

(b) Reports By Adimab. At the junctures specified in each Research Plan, Adimab shall provide written reports to Kairos of the Program Antibodies Adimab has identified under that Research Plan, any information with respect to them that such Research Plan provides for Adimab to disclose, and any Program Know-How or Program Inventions owned by Kairos based on the terms hereof. Adimab shall not be required to disclose any Adimab Platform/Core Technology to Kairos.

(c) Reports By Kairos. During the Research Term at the junctures set forth in the Research Plan, and then semi-annually throughout the term of the applicable Option and for so long as Kairos or any of its Affiliates, successors, licensees or sublicensees continue to generate or test any Program-Benefited Antibodies, Kairos shall provide written reports to Adimab. Kairos's reports shall provide any Program Know-How developed by Kairos in the applicable Research Program that Kairos is required to provide under the Research Plan, and shall disclose all Program-Benefited Antibodies since the date of the last report. Such reports and their contents are Confidential Information of Kairos (except to the extent that Kairos includes any Adimab Confidential Information in the reports).

2.6 Use of Adimab Materials. Kairos shall not use Adimab Materials in any way outside of the Research Program or other than pursuant to the licenses granted under this Agreement while such licenses are in effect. Among other things, this means that, except under the applicable Research Program as outlined in the applicable Research Plan or pursuant to such licenses, Kairos shall not: (a) provide Adimab Materials to any Third Party (except permitted Third Party contractors and collaborators as described in Section 2.8), (b) sequence or modify the Adimab Materials, or (c) use sequence information regarding, or quantities of, Program Antibodies or Adimab Materials for any purpose other than to research, develop and commercialize Program-Benefited Antibodies pursuant to Section 3.5.

Adimab retains title to the Adimab Materials, including all quantities of Program Antibodies that it provides under the Collaboration. Unless Kairos exercises an Option with respect to such Program Antibodies, such quantities of Program Antibodies are for use solely in assessing whether to exercise the Options. Such quantities shall not be used in humans or in antibody discovery research to screen for or discover other antibodies; *provided, however,* that Kairos may use such quantities to compare the performance of Program Antibodies in various assays against other Program Antibodies, benchmark research antibodies, benchmark commercial antibodies, or any other agent, including small molecules and biological agents (including antibodies), all of which prior to the comparison to Program Antibodies have previously been identified as having activity against, binding to, agonizing, antagonizing or inhibiting the applicable Target *(provided, however,* that negative controls already identified as such are permitted to be used). Unless Kairos exercises the applicable Option, on expiry of the applicable Option Term, or earlier termination of this Agreement, Kairos shall return to Adimab or destroy the remaining quantities of Program Antibodies provided by Adimab for each Target, if Adimab requests in writing. Without limiting the generality of the foregoing, Kairos shall not provide Program Antibodies to Third Parties who are in the commercial antibody discovery business, except as provided in Section 2.8(b) or the last sentence of Section 2.8(c).

2.7 Use of Kairos Materials. Adimab shall not use Kairos Materials in any way other than to perform Adimab's obligations under a Research Program or pursuant to the license granted under this Agreement while such license is in effect. Adimab shall not transfer the Kairos Materials to any Third Parties or outside of Adimab.

Kairos retains title to the Kairos Materials, including all quantities of antigens that it provides under the Collaboration. Upon expiration of the Research Term for each Research Program, or earlier termination of this Agreement, Adimab shall return to Kairos or, if requested by Kairos in writing, destroy the remaining quantities of Kairos Materials provided for use in such Research Program.

2.8 Third Party Contractors and Collaborations. The following provisions of this Section 2.8 will not apply to Program Transactions and any Third Parties involved therewith (including any Affiliates of any such Third Parties), before or after Option exercise, nor to any Licensed Antibodies, Program-Benefited Antibodies or Products after Option exercise:

(a) Fee-for-Service Contractors. Kairos may utilize the services of Third Party fee-for-service organizations, at its sole discretion except as provided in Section 2.8(c), to perform its obligations under the Collaboration and to perform research in order to evaluate Program Antibodies in order to determine whether to exercise one or more Options under this Agreement. Kairos's agreement with any such Third Party shall be consistent with the applicable terms of this Agreement (including Section 2.6), provide Adimab the same rights under this Agreement as if Kairos had done the work itself, and include confidentiality and non-use provisions that are no less stringent than those set forth in Article 6 of this Agreement.

(b) Collaborators. The Parties agree that it may be necessary or useful for Kairos to enter into collaborations with Third Parties which are not fee-for-service contractors (as described in Section 2.8(a) above), which are not primarily in the commercial antibody discovery business, and which provide services and/or Know-How and other intellectual property that are necessary or useful for Kairos to perform its obligations under the Collaboration and/or to evaluate Program Antibodies in order to determine whether to exercise one or more Options under this Agreement. Kairos's agreement with any such Third Party shall contain (i) restrictions on the use of Adimab Materials consistent with Section 2.6 (including the prohibition on using Program Antibodies in screening), (ii) confidentiality and non-use provisions that are no less stringent than those set forth in Article 6 of this Agreement, and (iii) provisions that ensure that any and all data and results arising out of the Third Party collaboration may be provided to Adimab as and to the extent contemplated under this Agreement. Kairos shall use commercially reasonable efforts to ensure that it obtains the right to assign, license or sublicense to Adimab any intellectual property rights arising out of the Third Party collaboration that constitutes an Adimab Platform/Core Technology Improvement, or, if it believes it will not be practicable to obtain such right to assign, license or sublicense to Adimab, then Kairos shall not disclose or transfer to the applicable Third Party (x) any Adimab Confidential Information other than Program Antibody sequences or (y) any Adimab Materials other than Program Antibody samples.

(c) Commercial Antibody Discovery Businesses. In the event that a research arrangement is contemplated by Kairos that would be with a Third Party that is primarily in the commercial antibody discovery business but not a collaborator as described in Section 2.8(b) above, in connection with the Collaboration or to evaluate Program Antibodies in order to determine whether to exercise one or more Options under this Agreement, Kairos will contractually ensure that Program Antibody samples provided to such contract research organizations will be used solely in testing that does not involve using the Program Antibodies in screening for the activity or interaction of other antibodies via or with the applicable Target, even if the contract research organization may perform antibody discovery activities in unrelated work for Third Parties; *provided, however,* that the arrangements with the contract research organization are otherwise fully in compliance with Section 2.8(a). For clarity, it is the intention of the Parties that a Third Party that is primarily in the commercial antibody discovery business shall not have the advantages or benefits of Adimab Confidential Information, Adimab Materials or Program Antibodies in performing antibody discovery and optimization services, apart from the Collaboration or to evaluate Program Antibodies.

2.9 Non-Exploitation of Program Antibodies by Adimab (Unless Independently Discovered) At All Times. Unless independently rediscovered in full compliance with Section 2.4(c) and without the use of (a) Kairos Materials, (b) Confidential Information of Kairos (subject to Section 6.2(e) regarding independent development of such information), (c) any antibody library that is (A) used in a Research Program for a Target for Kairos and (B) used for initial screening in antibody discovery to discover potential Program Antibodies (in contrast to any antibody library used to optimize any antibodies discovered from any such initial screening) (any such antibody library satisfying clause (A) and (B), a "**Subject Antibody Library**") or any antibodies identified therefrom (including Program Antibodies), or any of their partial or whole sequences, or (d) any Program Inventions or Program Know-How to the extent solely owned by Kairos based on the terms of this Agreement (subject to Section 6.2(e)), Adimab and its Affiliates shall not (i) provide the Program Antibodies or their (partial or whole) sequences to any Third Party at any time, or any other antibody or their (partial or whole) sequences identified from any Subject Antibody Library, or (ii) use the Program Antibodies, any other antibody identified from any Subject Antibody Library, or any of their (partial or whole) sequences to research, develop, manufacture or commercialize biologic or drug products in the Field for Adimab, its Affiliates or for any Third Parties, or (iii) perform any research, discovery or development using any Subject Antibody Library (other than under this Agreement), or provide (by any means, such as sale, license or transfer), any Subject Antibody Library (or any portion thereof) to any others. This clause is in no way intended to limit Adimab's ability to transfer (including licensing) its Adimab Platform/Core Technology (including antibody libraries) to other entities or for those entities to use the Adimab Platform Technology (including antibody libraries), subject to the restrictions above regarding any Subject Antibody Library (in whole or in part) and antibodies identified therefrom (including Program Antibodies), or any of their partial or whole sequences. Adimab is not under any circumstances required by this Agreement to remove or screen out any antibodies (or coding sequences) from its antibody (or coding sequence) libraries, but is limited with respect to any Subject Antibody Library as provided above. Adimab may independently regenerate such coding sequences without use or reference to the Program Inventions and/or Program Know-How or any Subject Antibody Library, other than any Adimab Platform/Core Technology Improvements (which nothing in this Agreement shall be read to restrict Adimab from using). In the case of independent rediscovery as provided in the first sentence of this Section, Adimab shall be unrestricted in its use of and ability to provide the applicable independently rediscovered and/or independently regenerated antibodies to others.

ARTICLE 3

LICENSES; OPTION; DEVELOPMENT & COMMERCIALIZATION

3.1 Mutual Research Program Licenses.

(a) To Kairos. Adimab and its Affiliates hereby grant Kairos a non-exclusive license under the Adimab Platform/Background Patents, Adimab Program Patents, Program Know-How and other Know-How transferred by Adimab to Kairos in the context of any Licensed Antibody, for Kairos to perform Kairos's responsibilities as provided for in the Research Plan as part of the Research Program during the Research Term, and for Kairos to perform research (but excluding human clinical trials) of the Program Antibodies to each Target during the Option Term for that Target in order to evaluate whether to exercise the Option with respect to that Target and one (1) or more of such Program Antibodies directed to that Target. The foregoing license excludes the right to discover antibodies and excludes the right to use Program Antibodies to screen for other antibodies' activity vis-a-vis the Target (such exclusion including the right to use the Program Antibodies as a control to test, screen for or design other antibodies), except that Kairos may use such quantities to compare the performance of Program Antibodies in various *in vitro* and/or *in vivo* assays against other Program Antibodies, and against benchmark research antibodies, benchmark commercial antibodies or any other benchmark agent, including small molecules and biological agents (including antibodies), all of which prior to the comparison to Program Antibodies have previously been identified as having activity against, binding to, agonizing, antagonizing or inhibiting the applicable Target *(provided, however,* that that negative controls already identified as such are permitted to be used). The foregoing license is subject to Kairos's compliance with the restrictions on use of Adimab Materials set forth in Section 2.6.

(b) To Adimab. Kairos and its Affiliates hereby grant to Adimab a non-exclusive license under all Patents and Know-How (including Program Patents and Program Know-How) Controlled by Kairos (or its Affiliate) and relating in any way to the Target for each Research Program (including any that so relate by claiming antibodies directed to that Target or a mechanism of action via that Target) or any Kairos Materials, for Adimab to perform Adimab's responsibilities as provided for in the applicable Research Plan as part of the applicable Research Program during the applicable Research Term. The foregoing license is subject to Adimab's compliance with the restrictions on use of Kairos Materials set forth in Section 2.7.

3.2 Kairos Option. Adimab hereby grants Kairos the exclusive option (each, an "**Option**") to obtain the licenses of Section 3.3 and assignment of corresponding Antibody Sequence Coverage for the corresponding Licensed Antibodies, exercisable in relation to each Target by Kairos in its sole discretion upon written notice to Adimab on or before the expiry of the Option Term for such Target. Kairos shall, in its written notice to exercise the Option, specify up to [***] Program Antibodies as the "**Licensed Antibodies**" for that Target (or if the Option is exercised early, thereafter during the Collaboration Term but not to exceed [***] in the aggregate). Subject to such Option exercise by Kairos on the terms provided herein, Adimab hereby assigns the Antibody Sequence Coverage with respect to Licensed Antibodies to Kairos, which assignment shall occur automatically without any further action required by either Party or any of their respective Affiliates. If, upon or after the filing or institution of bankruptcy, reorganization, composition of creditors, arrangement, liquidation, or receivership proceedings by or against Adimab, or upon an assignment of all or substantially all of Adimab's assets for the benefit of creditors or any Third Party, or upon the appointment of a receiver, administrative receiver or similar officer over all or substantially all of Adimab's undertaking or assets, or for any other reason (other than a material, uncured breach by Kairos of this Agreement), such assignment does not occur, then such Antibody Sequence Coverage will be treated as part of the license grant set forth in Section 3.3, which license grant is granted as of the Effective Date as a current license grant, subject only to the Option exercise by Kairos but not any other action by Adimab.

3.3 Development/Commercialization License. Adimab and its Affiliates hereby grant to Kairos for each Target, which may only be practiced after Option exercise for that Target, a worldwide, royalty-bearing, sublicenseable (solely as provided in this Section) license under the relevant Adimab Platform/Background Patents, Licensed Program Antibody Patents (to the extent owned by Adimab), and Program Know-How and other Know-How transferred by Adimab to Kairos in the context of any Licensed Antibody, in the Field, to research, develop, make, have made, use, sell, offer to sell, import and export Licensed Antibodies to such Target and Products based on Licensed Antibodies to such Target during the term of this Agreement. Such license shall be exclusive (even as to Adimab, except as regards the retained library rights of Section 5.2(c)) under the Licensed Program Antibody Patents (and for enforcement purposes under Section 5.7(a) shall include the full scope of the Licensed Program Antibody Patents). Such license shall be non-exclusive under the Adimab Platform/Background Patents, Program Know-How and other Know-How transferred by Adimab to Kairos in the context of any Licensed Antibody. Such license shall be sublicensable through one (1) or more tiers of sublicensees without the need to obtain consent; *provided, however,* that the sublicense agreement (a) is consistent with and subject to this Agreement, contains provisions that enable Kairos to comply with its reporting obligations under this Agreement (e.g., reporting and audit provisions), (b) requires the sublicensee(s) at each tier to indemnify Adimab on the same basis as provided for in Article 8 (and the sublicense shall provide that Adimab is a third-party beneficiary of such indemnification obligation) and (c) shall provide that if Kairos makes the Royalty Election under this Agreement with respect to the sublicense, then (i) such sublicense shall contain royalty payment obligations of the sublicensee that are sufficient to cover the royalty payment obligations pursuant to Section 4.5 to Adimab of [***] of Net Sales made within the scope of such sublicense and (ii) Adimab shall be an intended third-party beneficiary of such royalty payment obligations of the sublicensee under such sublicense (without imposing any greater obligation on the sublicensee than imposed on Kairos under this Agreement) and of the indemnification obligation required under clause (b). The requirements of the foregoing sentence as to sublicensees shall also apply to all Program Transaction counterparties.

3.4 Diligent Development and Commercialization.

(a) Diligent Efforts. Kairos shall by itself or its Affiliates or by a Program Transaction(s), for each Target for which the Option is exercised, devote Commercially Reasonable Efforts to preclinically and clinically develop, seek Marketing Authorization for, and launch and actively commercialize at least one (1) Product containing a Licensed Antibody to such Target, for the Major Markets.

(b) Reports. Annually, Kairos will provide Adimab with a written report summarizing Product progress in development and commercialization, and Kairos's and its Affiliates' significant activities in that regard, on a Target-by-Target basis. If requested by Adimab, Kairos shall meet with Adimab to discuss such report at least annually. Kairos shall make the following personnel available for such meetings: the project leader (or equivalent) for Product development, and another person at VP level or above. These meetings are not required of Third Party sublicensees or Program Transaction counterparties of Kairos or its Affiliates, or of Kairos with respect to any Target for which all rights of Kairos under this Agreement with respect to Licensed Antibodies to such Target have been out-licensed or transferred to Third Parties.

3.5 Commitments Regarding Program-Benefited Antibodies.

(a) Program-Benefited Antibodies. The Parties intend that if Kairos or its Affiliates pursue any antibody that is derived from an antibody provided by Adimab under this Agreement (or which is discovered and/or optimized using an antibody provided by Adimab under this Agreement other than as described in Section 2.8(c)), they shall do so under this Agreement paying fees to Adimab as provided in Article 4 (and complying with all other provisions of Article 4, including notice requirements, in the same way as such provisions apply to Program Antibodies). This Agreement gives Kairos and its Affiliates the right to modify the Licensed Antibodies, by including modified versions of them and derivatives of them in the definition of "Product" provided above. Kairos and its Affiliates shall also be entitled to use sequence-related information obtained under this Agreement to research, develop and commercialize antibody products in the Field that are not Products; *provided, however,* that the Parties also intend that Kairos and its Affiliates shall not develop or commercialize an antibody product that is (a) a Program Antibody, (b) a derivative or modified version (as described above in this Section 3.5 or in the definition of Product) of a Program Antibody, (c) discovered and/or optimized using an antibody provided by Adimab under this Agreement other than as described in Section 2.8(c), or (d) based on the complete or partial sequence information as to any Program Antibody or the nucleic acid coding for it (such complete or partial sequence information, "**Specific Sequence Information**", and each of the foregoing (a) through (d) in this sentence, a "**Program-Benefited Antibody**"), without exercising the applicable Option and paying Adimab fees pursuant to Article 4 with respect to such Program-Benefited Antibody and/or product containing such Program-Benefited Antibody as if such Program-Benefited Antibody were deemed a Licensed Antibody and such Program-Benefited Antibody product were deemed a Product under this Agreement, subject to the remainder of this Section 3.5(a). For clarity, an antibody will not be deemed a Program-Benefited Antibody or a Program Antibody solely as a result of the application or use of a Broad Target/Non-CDR Antibody Invention, or any other Program Know-How or Program Invention owned solely or jointly by Kairos hereunder (other than Specific Sequence Information), in the discovery, research, development, manufacture or commercialization of such antibody product. Kairos shall comply with its regular reporting obligations as to Program-Benefited Antibodies as in Section 2.5(c). For clarity, an antibody product will not be deemed a Program-Benefited Antibody or a Program Antibody solely because it is covered by a Broad Target/Non-CDR Antibody Patent or Broad Target/Non-CDR Antibody Inventions; *provided* that Kairos makes the payments to Adimab provided for in this Agreement in relation to Epitope Patents. An antibody product, including a benchmark research or commercial antibody, and/or an antibody that was independently generated by Kairos or any of its Affiliates, for clarity, will not be deemed a Program-Benefited Antibody or a Program Antibody due to (i) its application or use in biochemical *in vitro* or *in vivo* assays (including the same biochemical *in vitro* or *in vivo* assays that were used for testing any Program-Benefited Antibodies or Program Antibodies), or due to its application or use in indirect or direct comparison against any Program-Benefited Antibodies or Program Antibodies, or (ii) without derogating from any of Kairos's obligations regarding Adimab's Confidential information set forth in this Agreement, use of any information of Kairos or Adimab or any of their Affiliates, other than Specific Sequence Information. For further clarity, the use of "discovered and/or optimized" in the clause (c) above does not refer to the use of information (including any Specific Sequence Information, which is addressed in clause (d) above and in clause (c)), but rather the use of any tangible antibody material provided by Adimab in experiments whereby another antibody is discovered for the Target in question, or is optimized for the Target in question (such as by using a competitive antibody binding screening assay using any such antibody provided by Adimab to identify another superior antibody to such Target).

(b) Covenant Not to Sue. Except as provided in the last sentence of this Section, so long as Kairos and its Affiliates are in compliance with Section 3.5(a) with respect to a Program-Benefited Antibody, Adimab shall not, directly or indirectly, assert any claim against Kairos or its Affiliates, successors in interest, acquirers (whether of Kairos or of all or substantially all of the assets of Kairos relating to the subject matter of this Agreement), licensees, sublicensees, other Program Transaction counter-parties, distributors or end users, with respect to the research, development, manufacture, have manufacture, sale, offering for sale, import or export of any product containing such Program-Benefited Antibody, for infringement of any [***]. The foregoing covenant shall be binding on all of Adimab's Affiliates and successors in interest under this Agreement, and any exclusive licensees, exclusive sublicensees, and assignees of any [***] transferred by Adimab to Kairos in the context of any Licensed Antibody, regarding Licensed Antibody(ies), and Adimab shall as a condition of assigning this Agreement, or providing the applicable exclusive license, exclusive sublicense or assignment, obtain a contractual commitment from the applicable entity receiving rights to comply with such covenant. Such covenant does not apply to any [***]. For purposes of this Section 3.5(b), [***] shall be interpreted as if the Program-Benefited Antibodies were Licensed Antibodies. The covenant of this Section 3.5(b) shall not apply to activities after a termination of this Agreement in its entirety or surrounding the Target to which the Program-Benefited Antibody relates, in each case for a Kairos uncured material breach. This Section 3.5(b) shall not be read to allow, or prevent a suit by Adimab with respect to, Kairos's practice of Adimab Platform/Core Technology for antibody discovery or optimization purposes or for the practice of technology for any purpose other than those described herein with respect to Program-Benefited Antibodies.

ARTICLE 4

FINANCIAL TERMS.

4.1 Technology Access Fee. Kairos shall pay Adimab a one-time technology access fee equal to [***], within three (3) Business Days after the Effective Date.

4.2 Research Funding.

(a) Funding Amounts. Kairos shall pay Adimab for the FTEs actually performing scientific work in each Research Program under the Collaboration during the Collaboration Term at the FTE Rate; *provided, however,* that Kairos will not be responsible to fund any Adimab FTEs in excess of an average of [***] per quarter during any calendar quarter of the Collaboration Term without Kairos's prior written consent in its sole discretion. Adimab acknowledges and agrees that the FTE Rate reflects Adimab's fully-loaded costs and expenses in performing its Research Program obligations under the Collaboration, and that except as explicitly set forth herein Adimab is solely responsible for its internal and external costs and expenses in performing its obligations thereunder (*provided* that Adimab shall not be required to devote FTEs to the Research Programs which FTEs are not funded by Kairos under this Section). During all calendar quarters of the Target Nomination Period, Kairos is required to pay Adimab for a minimum of [***] FTEs in such calendar quarter, even if Kairos does not provide Targets such that there are Target Research Programs for such FTEs to work on or authorize Adimab to perform any "optional" research activities under a Research Plan as described in the last paragraph of Section 2.2(d). In addition, Kairos shall reimburse Adimab for any external costs actually spent by Adimab related to the purchase or production of antigen for use in a Research Program, provided Adimab has obtained Kairos's prior written consent for any such external costs.

(b) Invoicing and Payments. Payments under this Section shall be due quarterly in advance based on estimated FTE usage anticipated for such calendar quarter, subject to true-up each quarter at the end of the quarter. If Kairos has paid for more FTEs than are actually used in any calendar quarter, then any such overpayment shall be promptly refunded to Kairos or deducted from future calendar quarter advance payments under this Section, in Kairos's sole discretion. At least five (5) days prior to the Start Date, and at least [***] days prior to the commencement of each calendar quarter during the Collaboration Term thereafter, Adimab shall deliver to Kairos a detailed invoice stating the number of FTEs that are scheduled to perform activities under the Collaboration during such calendar quarter. The first advance payment under this Section 4.2 shall be on or prior to the Start Date (or five (5) days after receipt of the applicable invoice, if later) and shall be calculated on the scheduled FTE usage for the period commencing on the Start Date and ending at the end of the calendar quarter in which the Start Date occurs. Thereafter, each quarterly advance payment will be due on or prior to the [***] Business Day of each calendar quarter during the Collaboration Term (or [***] days after receipt of the applicable invoice, if later) and shall be calculated on the scheduled FTE usage for the upcoming calendar quarter. Within [***] days after the end of each calendar quarter during the Collaboration Term Adimab shall deliver to Kairos a detailed invoice stating the number of FTEs that actually performed activities under the Collaboration during the prior calendar quarter, the amount of any advance payments made by Kairos (or credits due to Kairos) in respect of such activities, and any true-up amount due. All payments shall be due within [***] days of Kairos's receipt of the invoice.

4.3 Revenue Payments and Royalty Payments.

(a) Elections. Within [***] days after a Program Transaction is entered into, Kairos shall inform Adimab in writing whether Kairos elects to pay either (1) a share of Program Transaction Revenue with respect to such Program Transaction, as set forth in Section 4.4, or (2) a royalty on Net Sales on Products sold pursuant to rights included in such Program Transaction, as set forth in Section 4.5. In addition, at any time that is prior to the closing of a Kairos Change of Control, upon written notice to Adimab, Kairos may make an irrevocable Royalty Election with respect to a Product as to which no Revenue Election has previously been made. Kairos is entitled to make such election on a Program Transaction-by-Program Transaction basis. If no election under this Section 4.3(a) has been made as of the date of First Commercial Sale of any given Product in any given country, then the Royalty Election shall automatically be deemed made as to such Product in such country (and the Revenue Election shall not be an option as to such Product in such country). If Kairos fails timely to elect either the Revenue Election or the Royalty Election, then the Royalty Election shall automatically be deemed made for that Program Transaction.

(i) Revenue Election. If Kairos elects to pay a share of Program Transaction Revenue with respect to such Program Transaction, then it has made the "**Revenue Election**" with respect to the particular Program Transaction. Kairos shall, simultaneously with such notice, disclose to Adimab a copy of all documents governing such Program Transaction, but shall be entitled to redact from the copy shared with Adimab reasonable amounts of information not relevant to the determination of Program Transaction Revenue or any allocation thereof pursuant to Section 4.3(c), (d) or (e) hereunder or confirmation that the agreements comply with this Agreement (e.g., the requirement that sublicensees provide appropriate indemnification of Adimab).

(ii) Royalty Election. If Kairos elects to pay a royalty on Net Sales on Products sold pursuant to rights included in such Program Transaction, then it has made the "**Royalty Election**" with respect to the particular Program Transaction. Kairos shall disclose, simultaneously with such notice, a copy of all documents governing such Program Transaction, but shall in this case be entitled to redact from the copy shared with Adimab reasonable amounts of information not relevant to the calculation of royalties hereunder or to the confirmation that the agreements comply with this Agreement (e.g., the requirement that sublicensees provide appropriate indemnification of Adimab).

(b) Kairos Change of Control.

(i) Undesignated Rights After a Kairos Change of Control. Unless the Parties agree otherwise in writing prior to the closing of a Kairos Change of Control, then the Royalty Election shall automatically be made for all Undesignated Rights transferred pursuant to such Kairos Change of Control.

(ii) Undesignated Rights Prior to a Kairos Change of Control. At any time prior to a Kairos Change of Control, Kairos may notify Adimab in writing of its desire to elect to pay Adimab the specified percentage of Program Trade Sale Proceeds provided below in lieu of the Royalty Election automatically applying with respect to such Undesignated Rights.

(iii) Prior Revenue Election. After a Kairos Change of Control, Revenue Elections for pre-existing (prior to the Kairos Change of Control) Program Transactions with Third Parties will continue to apply only for so long as such rights remain with the Third Party (and if such rights ultimately revert to Kairos or its successor, then they shall be subject to the Royalty Election) and there shall be no offset of payments already made to Adimab in respect of such pre-existing Program Transaction against royalties due to Adimab under such Royalty Election. Furthermore, if the counterparty to the Kairos Change of Control was (or its Affiliate was) a counterparty to a Program Transaction for which a Revenue Election or Royalty Election was previously made, then Kairos shall be required to make the same election for the Kairos Change of Control as was made for such Program Transaction unless Adimab agrees otherwise in writing in its sole discretion.

(c) Allocation of Revenue. Adimab and Kairos shall each be reasonably available to negotiate in good faith the determination of (i) Program Trade Sale Proceeds (in the case of a Kairos Change of Control) and (ii) Program Transaction Revenue which is Multi-Product Deal Program Transaction Revenue (in the case of a Multi-Product Deal) based on the proportion of the Program Transaction Revenue which is allocable to Licensed Antibodies and Products. If despite good faith efforts the Parties are unable to agree upon such determinations within such [***] day period, then Kairos may request that a Third Party determine such the allocation in accordance with Section 10.2. As part of such negotiation or arbitration, the Parties shall value Combination Products, if applicable, pursuant to the principles set forth in Section 4.5(d).

(d) Finality of Election. Once Kairos makes either the Revenue Election or the Royalty Election with respect to a particular Program Transaction (or the Royalty Election is deemed made), this election is irrevocable as to the particular Program Transaction. To avoid doubt, this means that if the surviving or acquiring entity later licenses rights to Licensed Antibodies transferred pursuant to the Kairos Change of Control to a Third Party, the Royalty Election shall continue to apply to such Licensed Antibodies, and the surviving or acquiring entity will not have the opportunity to elect otherwise hereunder.

(e) Program Transaction Confidentiality. All Program Transaction documents provided by Kairos to Adimab and the terms and information contained therein shall be Confidential Information of Kairos subject to the provisions of Article 6.

(f) No Double-Counting. If Kairos enters into a Kairos Change of Control or a Program Transaction, and the counterparty (or an Affiliate of such counterparty) already has an agreement with Adimab (or any of its Affiliates or licensees), then only one agreement shall be applicable to any Products hereunder, so that, among other things, no payments will be owed under both this Agreement and such other agreement with respect to any such Products. The agreement applicable to a given Product shall be that agreement has the closest relationship to any Product in question based on how Product was discovered and developed.

(g) Election for Epitope Patent Compensation. For Epitope Patent-Only Transactions, Kairos may elect to pay to Adimab an amount equal to [***] ("**Epitope Patent Compensation**"), and if Kairos does so, then Kairos shall not owe any share of Program Transaction Revenue with respect to such Epitope Patent-Only Transaction, and shall not owe any Net Sales royalties with respect to Net Sales within the scope of such Epitope Patent-Only Transaction. Such payment shall be made within [***] days after such Epitope Patent-Only Transaction. Notwithstanding anything express or implied in the foregoing, paying the Epitope Patent Compensation shall not result in any reduction in Program Transaction Revenue payable in case of another Program Transaction relating to the same Target with the same counterparty (including an Affiliate of the contracting entity), but, for clarity, if the Epitope Patent-Only Transaction is later treated as, or part of, a Program Transaction, then any Epitope Patent IP Compensation will be credited against payments owed by Kairos for such Program Transaction hereunder provided the same Target is the subject of such Program Transaction. If Kairos does not timely pay the Epitope Patent Compensation for any Epitope Patent-Only Transaction, then such Epitope Patent-Only Transaction shall be treated as any other Program Transaction for purposes of this Agreement and there shall be no reduction of any kind to Program Transaction Revenue associated therewith if Kairos makes the Revenue Election with respect to such Program Transaction. To avoid doubt, if a Program Transaction includes Epitope Patents (including the situation in which an Epitope Patent-Only Transaction is deemed part of a Program Transaction because entered into contemporaneously with, or regardless of timing, with the same counterparty (with counterparty having the same meaning as provided above) and relating to the same Target as, other elements of the Program Transaction), there shall be no adjustment or reduction of Program Transaction Revenue in relation to the Epitope Patents.

4.4 Program Transaction Revenue Payments. If the Revenue Election applies, then Kairos shall pay to Adimab the percentage specified below of all Program Transaction Revenue in connection with Program Transactions for which the Revenue Election is made (other than Multi-Product Deals); and the percentage specified below of Multi-Product Deal Program Transaction Revenue for all Multi-Product Deals for which the Revenue Election is made, in each case on a transaction-by-transaction basis for each calendar year. Accordingly, the percentages in the following table shall apply to each Program Transaction and to each Multi-Product Deal, on all Program Transaction Revenue and all Multi-Product Deal Program Transaction Revenue for each such transaction, respectively, on a transaction-by-transaction and calendar year-by-calendar year basis:

Aggregate revenue for each such transaction for each calendar year	***Percentage (as a percentage of Program Transaction Revenue or Multi-Product Deal Program Transaction Revenue, as applicable)***
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

By way of example, and without limitation, if the aggregate Program Transaction Revenue for a Program Transaction in a particular calendar year is [***], the amount payable under this Section 4.4 shall be as follows: [***].

The amounts due under this Section 4.4 shall be payable on an ongoing basis within sixty (60) days after the calendar month in which Program Transaction Revenue or Multi-Product Deal Program Transaction Revenue, as the case may be, is received.

4.5 Royalty Payments. If the Royalty Election applies, then:

(a) Royalty Rate for Products. Kairos shall pay Adimab royalties at the royalty rate set forth below of Net Sales of each Product during the applicable Royalty Term, determined on a country-by-country and Product-by-Product and calendar year-by-calendar year basis in accordance with Section 4.5(b):

Aggregate calendar year Net Sales for each Product	***Royalty Rate (as a percentage of Net Sales)***
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

By way of example, and without limitation, if the aggregate Net Sales of a Product in a particular calendar year is $[***], the amount of royalties payable under this Section 4.5(a) shall be as follows: [***].

(b) Royalty Term. "**Royalty Term**" means, on a Product-by-Product and country-by-country basis, the time from the First Commercial Sale of such Product in such country until the twelve (12) year anniversary of the First Commercial Sale of such Product in such country.

(c) Adjustment for Third Party Patents. If Kairos in-licenses any issued Patent owned by a Third Party (that does not comprise Adimab Platform/Background Patents or Adimab Program Patents) the practice of which Kairos reasonably determines is necessary to as a result of Adimab's discovery and/or optimization of a Licensed Antibody, then Kairos shall have the right to credit against the payments due to Adimab upon Net Sales of a Product in a country in a calendar quarter [***] of the payments actually paid by Kairos to such Third Party with respect to such patent(s) in-licensed by Kairos under this Section; *provided, however,* that such credit shall not reduce any amount payable to Adimab hereunder for any Product to less than [***] of the amount that would otherwise be payable to Adimab for such Product in such calendar quarter. In the event that [***] of the aggregate amounts paid for Patent(s) pursuant to this Section exceed the amount by which Kairos may credit and offset any particular payment to Adimab hereunder (including by reason of the fact that no payments are then owed to Adimab), Kairos shall be entitled to carry forward the excess to offset against any future payments due to Adimab hereunder.

(d) Combination Products Adjustment. If Kairos, its Affiliate, their successors or the Product marketer of any of them under a Program Transaction for which the Royalty Election has been made sells a Combination Product, then Net Sales for such Combination Product shall be calculated as (i) [***] of actual Net Sales (if neither clause (ii) nor clause (iii) applies); (ii) the percentage of Net Sales (or formula to calculate such percentage) mutually agreed in writing by the Parties in advance of First Commercial Sale, if the Parties mutually agree in writing to such percentage (or formula to calculate such percentage); and (iii) if the Parties have failed to agree on such percentage in writing within [***] days after Kairos in writing requests discussions, then the percentage of Net Sales shall be determined by arbitration under Section 10.2(b).

(e) Adjustment for Compulsory License. If a compulsory license is granted to a Third Party with respect to any Product in any country in the Territory with a royalty rate lower than the applicable royalty rate set forth in this Section 4.5, and this results in a sublicense by Kairos or its Affiliate to the compulsory licensee in a country and with respect to a Product for which the Royalty Election has been made, then the royalty rate to be paid by Kairos on Net Sales in that country by the compulsory licensee will be reduced to [***] of the rate paid by the compulsory licensee. The royalty rate on Net Sales of such Product by entities other than the compulsory licensee in such country shall be unaffected by the compulsory license.

(f) Other Royalty Provisions. Only one royalty will be due with respect to the same unit of Product, even if such Product unit is comprised of more than one Licensed Antibody or any modified or derivative forms thereof. No royalties will accrue on the sale or other disposition of the Product by Kairos or its Affiliates, licensees or sublicensees for use in a clinical study sponsored or funded by Kairos or its Affiliates, licensees or sublicensees.

4.6 Payment Timings. All Net Sales royalties due under Section 4.5 shall be paid quarterly, on a country-by-country basis, within [***] days after the end of the relevant calendar quarter for which royalties are due.

4.7 Royalty Payment Reports. With respect to each calendar quarter, within [***] days after the end of the calendar quarter, Kairos shall provide to Adimab a written report stating the number and description of all Products sold during the relevant calendar quarter; the gross sales associated with such sales; and the calculation of Net Sales on such sales, including the amount of any deduction provided for in the definition of Net Sales in Article 1. The report shall provide all such information on a country-by-country and Product-by-Product basis. If applicable, Kairos shall also include in these reports a statement of all Program Transaction Revenue share payments due for the quarter, showing the calculation of the total consideration received in connection with Program Transactions for which the Revenue Election has been made, any and all deductions in accordance with the definition of Program Transaction Revenue (with supporting detail), net Program Transaction Revenue, and Adimab's share. Program Trade Sale Proceeds from a Kairos Change of Control, and the calculation of such Program Trade Sale Proceeds, shall similarly be included in these reports.

4.8 Milestones. Subject to Section 4.9, Kairos shall make milestone payments to Adimab based on achievement by Kairos, its Affiliate or a counterparty to a Program Transaction or a Multi-Product Deal, as applicable, of the following milestone events:

Milestone Event	***Milestone Payment***
[***]	[***]
[***]	[***]
[***]	[***]

Each milestone payment in the foregoing table shall be paid only once with respect to each Target, no matter how many Program Antibodies/Products for such Target ultimately achieve the applicable milestone event.

On a Target-by-Target basis, if development of a first Program Antibody/Product is terminated and such first Program Antibody/Product is replaced with a second Program Antibody/Product and Kairos paid any milestone payments owed to Adimab pursuant to this Section 4.8 with respect to any milestone events achieved with the first Program Antibody/Product (the "**Paid/Achieved Event**"), then when and if the second (or third etc.) Program Antibody/Product achieves any such Paid/Achieved Events, no corresponding milestone payment shall be due with respect to such achievements but any remaining unpaid milestone payment would be due upon the achievement of that milestone event by the second (or third etc.) Program Antibody/Product. In the event that any milestone event is achieved with respect to a Target, and a prior milestone event is not a Paid/Achieved Event with respect to such Target, Kairos shall pay Adimab with respect to all milestone events for such Target, up to and including the most recently achieved milestone event. For example, if the first patient is dosed with a Program Antibody/Product in a [***] and neither the commencement of a [***] is a Paid/Achieved Event with respect to such Target, Kairos shall pay Adimab [***] for achievement of the [***] milestone event plus [***] for the achievement of such [***] milestone event.

For purposes of this Section 4.8:

"**Phase I Trial**" shall mean a human clinical trial in any country that is intended to initially evaluate the safety and/or pharmacological effect of a Product in subjects that would otherwise satisfy requirements of 21 C.F.R. 312.21(a), or its foreign equivalent.

"**Phase II Trial**" shall mean a human clinical trial in any country that is intended to initially evaluate the effectiveness of a Product for a particular indication or indications in patients with the disease or indication under study that would otherwise satisfy requirements of 21 C.F.R. 312.21(b), or its foreign equivalent.

4.9 Deferred Payment Option. The milestone payments with respect to the milestone events set forth in Section 4.8 shall be deemed met and accrue when each such milestone event is achieved for a given Program Antibody/Product. Kairos may make the corresponding milestone payment in accordance with Section 4.8, or provide written notice prior to the due date for such milestone payment of its election to delay payment of such amount until the earlier of (i) the start of either a pivotal phase II clinical trial (meaning a phase II clinical trial that is expected, if successful, to be the final clinical trial conducted prior to the submission of an application for Marketing Approval) or a phase III clinical trial for such Program Antibody/Product, (ii) a Program Transaction with respect to such Program Antibody/Product, or (iii) a Kairos Change of Control. If Kairos delays any such payment in accordance with this Section 4.9, Kairos shall pay Adimab, on the first business day of every calendar year, simple interest (each, an "**Interest Payment**") accrued on such amounts at a rate of [***] per annum (calculated on a daily basis), from the date Kairos provided notice of its election to delay payment until such milestone payments and any interest thereon are paid in full; *provided, however,* that if Kairos ceases all research and development activities with respect to all Program Antibodies/Products against the same Target for which a payment is delayed pursuant to this Section 4.9 (other than as a result of a Program Transaction with respect thereto or a Kairos Change of Control), then Kairos shall not be obligated to make such Interest Payment and the corresponding milestone payment shall be waived, forever and finally; *provided, further, however*, that in the event that Kairos subsequently resumes research or development on any Program Antibodies/Products against such Target or enters into a Program Transaction with respect thereto or a Kairos Change of Control, Kairos shall immediately pay to Adimab any unpaid Interest Payments and the corresponding milestone payment shall again be due and payable again on the terms specified in clauses (i) through (iii_ above (including any interest which has accrued on such Interest Payments during the period since Kairos last made an Interest Payment to Adimab with respect to such Target), and Kairos shall resume the payment of Interest Payments on the first business day of the next calendar year, if applicable.

4.10 Payment Method. All payments due under this Agreement to Adimab shall be made by bank wire transfer in immediately available funds to an account designated by Adimab. All payments hereunder shall be made in the legal currency of the United States of America, and all references to "**$**" or "**dollars**" shall refer to United States dollars (i.e., the legal currency of the United States).

4.11 Taxes. Kairos shall be responsible to pay and may withhold from payments made to Adimab under this Agreement any taxes required to be withheld by Kairos under applicable law. Accordingly, if any such taxes are levied on such payments due hereunder ("**Withholding Taxes**"), Kairos shall (a) deduct the Withholding Taxes from the payment amount, (b) pay all applicable Withholding Taxes to the proper taxing authority, and (c) send evidence of the obligation together with proof of tax payment to Adimab within [***] days following that tax payment.

4.12 Records; Inspection.

(a) Each Party and its relevant Affiliates, licensees and sublicensees ("**Related Parties**") shall keep and maintain (in conformity with the Accounting Standards), for a period of [***] calendar years following the end of each calendar year during the term of this Agreement, complete and accurate records to enable amounts payable under this Agreement to be determined. Each Party (the "**Auditing Party**") shall have the right, [***] per calendar year and only [***] with respect to the records for any given accounting period, to have an independent, certified public accounting firm reasonably acceptable to the other Party (the "**Audited Party**") review any such records in the location(s) where such records are maintained by the Audited Party or any of its relevant Related Parties upon reasonable notice (which shall be no less than [***] days prior written notice) and during regular business hours for the sole purpose of verifying the basis and accuracy of payments under this Agreement within the [***] most recent calendar years as of the date of the request for review. Prior to any review, the independent certified public accounting firm shall have entered into a written agreement with the Audited Party or its relevant Related Parties limiting the use of such records to verification of the accuracy of payments due under this Agreement and prohibiting the disclosure of any information contained in such records to a Third Party for any purpose and to the Auditing Party for a purpose other than as set forth in this Section 4.12. The report of such accounting firm shall be limited to a certificate stating whether any report made or invoice or payment submitted by the Audited Party during such period is accurate or inaccurate and the actual amounts owed by or due under this Agreement to the Auditing Party for such period. After review of the certified public accounting firm's report, the Audited Party shall promptly pay any understated amounts due to the Auditing Party, together with any interest owed thereon pursuant to Section 4.16. Any overpayment made by a Party shall be fully creditable against amounts payable in subsequent payment periods or promptly refunded, at the overpaid Party's election. Any review or audit by an independent certified public accounting firm under this Section 4.12 is to be made at the expense of the Auditing Party, except that if the results of the review reveal that the Audited Party has underpaid (or in the case where Adimab is the Audited Party, overbilled) by [***] or more for the period under review, then the reasonable costs of such audit shall be paid promptly by the Audited Party.

(b) The Parties agree that, as between Adimab and Kairos, (x) all information provided in a royalty payment report, all records kept by Kairos or any relevant Related Party of Kairos under Section 4.12, and any information provided by the independent certified public accounting firm to Adimab are Confidential Information of Kairos, and (y) *vice versa* for Adimab regarding the records kept by it and its Related Parties and the information reported by the independent certified public accounting firm to Kairos.

(c) Notwithstanding subsection (a), any audit of Adimab FTE records shall occur within 12 months after the end of the calendar year to which the records relate or shall be deemed irrevocably waived.

4.13 Licensee/Sublicensee Reports, Records and Audits. If Kairos grants any Product licenses or sublicenses, the agreements for such licenses and sublicenses shall include an obligation for the sublicensee to (a) maintain records adequate to document and verify the proper payments (including milestones and royalties) to be paid to Adimab; (b) provide reports with sufficient information to allow such verification; and (c) allow Adimab (or Kairos if requested by Adimab) to verify the payments due; *provided, however,* that such audit right is not required to be any stronger than that of Section 4.12).

4.14 Foreign Exchange. If any currency conversion shall be required in connection with the calculation of amounts payable hereunder, such conversion shall be made using the rate of exchange (a) used by Kairos (or the selling entity) for its own financial reporting purposes in its worldwide accounting system (which shall be consistent with Accounting Standards) prevailing on the [***] to the last Business Day of the month preceding the month in which such sales are recorded, if Kairos (or the selling entity) is a public company; or (b) if Kairos is not a public company, then shall be determined the same way except that the rates shall be the average of the purchase and sale rates for U.S. Dollars for such day as reported by *The Wall Street Journal,* Eastern Edition. With any payment in relation to which a currency conversion is performed to calculate the amount of payment due, Kairos shall provide to Adimab a true, accurate and complete copy of the exchange rates used in the calculation.

4.15 Non-refundable, non-creditable payments. Each payment that is required under this Agreement is non-refundable and non-creditable.

4.16 Late Payments. Any amount owed by a Party to the other Party under this Agreement that is not paid within the applicable time period set forth herein will accrue interest at the rate of [***], or, if lower, the highest rate permitted under applicable law.

ARTICLE 5

INTELLECTUAL PROPERTY

5.1 Ownership of Program Patent and Program Know-How.

(a) Ownership of Program Patents. Adimab shall solely own, regardless of inventorship (but subject to Kairos owning Kairos Program Inventions as provided under the definition of Broad Target/Non-CDR Antibody Inventions), all Program Patents that claim Adimab Platform/Core Technology Improvements and, until and unless Kairos exercises the Option for a given Target, Adimab shall own the Antibody Sequence Coverage on all Program Antibodies to such Target. Kairos shall solely own, the Broad Target/Non-CDR Antibody Patents, all Program Patents that Cover Broad Target/Non-CDR Antibody Inventions, and from and after the date that Kairos exercises the Option for a given Target, the Antibody Sequence Coverage on the Licensed Antibodies to such Target (but, to be clear, Adimab shall own the Antibody Sequence Coverage on the other Program Antibodies to such Target, subject to Section 5.4(b)). Notwithstanding the foregoing, neither Adimab nor Kairos shall practice or license others to practice the Antibody Sequence Coverage in activities that are outside the scope of the license to Kairos in Section 3.3). Other than (1) Program Patents that claim Adimab Platform/Core Technology Improvements, (2) Program Patents that claim Broad Target Inventions/Non-CDR Antibody, (3) Antibody Sequence Coverage, and (4) Broad Target Patents, Program Patents (including, for clarity, Program Antibody Patents) shall be owned based on inventorship.

(b) Filing of Program Patents. Notwithstanding Kairos's ownership of the Broad Target/Non-CDR Antibody Patents, and without modifying the definition of Broad Target/Non-CDR Antibody Patents, in case independent claims are filed that would take a given Patent outside the definitions of the foregoing term, Kairos (and those deriving rights from Kairos) shall not include in any Broad Target/Non-CDR Antibody Patent any Program Antibody CDR-Specific Claims, without Adimab's advance written withholdable consent, but shall - subject to the non-disclosure requirements of Section 5.4(b)(ii) - be entitled to include Program Antibody CDR-Specific Claims that are dependent (as opposed to independent).

(c) Ownership of Program Know-How. Program Know-How that constitutes Adimab Platform/Core Technology Improvements shall be owned by Adimab (but subject to Kairos owning Kairos Program Inventions as provided under the definition of Broad Target/Non-CDR Antibody Inventions). Until and unless Kairos exercises the Option for a given Target, other than Broad Target/Non-CDR Antibody Inventions, Adimab shall own Program Know-How to the extent that such Program Know-How relates exclusively to Program Antibodies; *provided*, *however,* that after such Option exercise, Kairos shall own such Program Know-How with respect to any Licensed Antibodies (but, to be clear, Adimab shall own such Program Know-How on the other Program Antibodies, subject to Section 5.4(b)). Broad Target/Non-CDR Antibody Inventions shall be owned by Kairos. All other Program Know-How shall be owned by the Party that created it.

5.2 Implementation.

(a) Assignments. Each Party hereby assigns to the other Party Program Inventions, associated Patents, and Program Know-How as necessary to achieve ownership as provided in Section 5.1. Each assigning Party shall execute and deliver all documents and instruments reasonably requested by the other Party to evidence or record such assignment or to file for, perfect or enforce the assigned rights. Each assigning Party hereby appoints the other Party as attorney-in-fact solely to execute and deliver the foregoing documents and instruments if such other Party after making reasonable inquiry does not obtain them from the assigning Party. Each Party (and its Affiliates) shall perform its activities under this Agreement through personnel who have made a similar assignment and appointment to and of such Party or its Affiliate. Each assigning Party shall make its relevant personnel (and their assignments and signatures on such documents and instruments) reasonably available to the other Party for assistance in accordance with this Article at no charge.

(b) Provisions Relating to Program Antibody Patents; Joint Ownership Implementation.

(i) Program Antibody Patents. Subject to Adimab's rights under Section 5.2(c), neither Party is entitled to practice or license any Program Antibody Patent that is not a Licensed Program Antibody Patent without consent of and without a duty of accounting to the other Party; except that (x) Adimab may practice such Program Antibody Patents within the scope of its license under Section 3.1(b) and (y) Kairos (and others) may practice such Program Antibody Patents within the scope of its license under Section 3.1(a) and covenant not to sue under Section 3.5(b).

(ii) Licensed Program Antibody Patents. Subject to Adimab's rights under Section 5.2(c) and the financial obligations set forth in this Agreement, neither Party is entitled to practice or license any Licensed Program Antibody Patent without consent of and without a duty of accounting to the other Party; except that Kairos is free to practice or sublicense all Licensed Program Antibody Patents within the scope of its license and covenant not to sue for the applicable Licensed Antibodies, Program-Benefited Antibodies and Products under Sections 3.3 and 3.5(b) while such license or covenant not to sue is in effect with respect to such Licensed Antibodies, Program-Benefited Antibodies and Products.

(iii) Joint Serendipitous Inventions. As regards Joint Serendipitous Inventions and the Program Patents to the extent claiming them, each Party is entitled to practice and license them without consent of and without a duty of accounting to the other Party in accordance with the co-ownership rights of co-inventors under U.S. law. Each Party hereby grants all permissions, consents and waivers with respect to, and all licenses under, the Joint Serendipitous Inventions and the Program Patents claiming them, as necessary to achieve throughout the world the nature of joint ownership rights of the foregoing as described in the foregoing sentence. To avoid doubt, this Section does not imply any permission, consent or waiver with respect to, or license under, any Patent or item of Know-How other than the Joint Serendipitous Inventions and the Program Patents to the extent claiming them.

(c) Reserved Rights for Adimab Antibody Library. Without limiting any licenses or other rights granted to Kairos under this Agreement with respect to any Program Antibodies, Licensed Antibodies, Products or Program-Benefited Antibodies, it is understood and agreed that Adimab is not required to physically remove from its libraries, or to prevent from being included in future libraries, any Program Antibodies whatsoever, and, accordingly, Kairos hereby recognizes that Adimab reserves a non-exclusive, worldwide, royalty-free, freely sublicenseable right under Program Antibody Patents: (i) for Program Antibodies to be included in antibody library(ies) transferred or licensed by Adimab to Third Parties, even recognizing that in such transactions Adimab may transfer physical possession of, knowingly or unknowingly, samples of Program Antibodies (other than samples of Program Antibodies generated under this Agreement) in conjunction with an antibody library to a Third Party as part of such transactions (and without implying any license from Adimab or Kairos to cover clinical development or commercialization of the Licensed Antibodies of this Agreement by library licensees); and (ii) to conduct any activity with respect to Program Antibodies and Program-Benefited Antibodies that are not Licensed Antibodies (or any Program-Benefited Antibodies based thereon) after the end of the applicable Option Term; *provided*, *however,* that Adimab complies with, and arrives at such non-Licensed Antibodies (or any Program-Benefited Antibodies based thereon) in a manner fully compliant with, Adimab's covenants and obligations in this Agreement (including the restrictions on Subject Antibody Libraries contained herein), and further independently discovers the applicable antibodies.

5.3 Disclosure. During the term of the Agreement, each Party shall promptly disclose to the other Party the making, inventing, discovery, conception or reduction to practice by or on behalf of such Party of any (A) Program Inventions that would be Covered by Program Antibody Patents, or in Kairos's case that are Adimab Platform/Core Technology Improvements (which, to avoid doubt, are assigned to Adimab by this Agreement) or in Adimab's case that are Program Inventions that would properly be claimed in an Broad Target/Non-CDR Antibody Patent, or that are Broad Target/Non-CDR Antibody Inventions (which, to avoid doubt, are assigned to Kairos by this Agreement), and (B) any other Program Know-How to the extent such Program Know-How is owned by the other Party. Such disclosure shall occur as soon as possible, but in any case within [***] days after the Party determines such Program Inventions or Program Know-How has been made, invented, discovered, conceived or reduced to practice. To avoid doubt, this Section shall not be read to require Adimab to disclose Program Inventions constituting Adimab Platform/Core Technology Improvements to Kairos or to require Kairos to disclose Program Inventions constituting Broad Target/Non-CDR Antibody Inventions to Adimab. Notwithstanding the above, in no event shall Kairos be required to correlate or provide information that correlates functional activity data to any antibody sequences. In no event shall Kairos be required to provide information on specific biological activities, which of the Licensed Antibodies is associated with given biological activities, and/or which of the Licensed Antibodies has been chosen as drug lead.

5.4 Patent Prosecution and Maintenance.

(a) Adimab Platform/Core Technology, Broad Target/Non-CDR Antibody Inventions and Broad Target/Non-CDR Antibody Patents. Adimab shall have the sole right (but not the obligation) to file, prosecute, maintain, defend and enforce all Program Patents that claim Adimab Platform/Core Technology Improvements and all Adimab Platform/Background Patents, all at its own expense. Kairos shall have the sole right (but not the obligation) to file, prosecute, maintain, defend and enforce all Broad Target/Non-CDR Antibody Patents and Program Patents that claim Broad Target/Non-CDR Antibody Inventions, all at its own expense.

(b) Program Antibody Patents.

(i) Kairos shall have the sole right (but not the obligation) to file and prosecute all Program Antibody Patents, all at Kairos's expense, including the costs of all foreign and PCT filings. Adimab will have the opportunity to review and comment upon any patent applications and correspondence related to preparing and prosecuting such Program Antibody Patents. Kairos shall incorporate Adimab's reasonable comments and shall confer and reasonably discuss with Adimab any concerns Kairos has with Adimab's comments and seek to resolve the concerns by mutual agreement. Kairos shall give Adimab no less than [***] days to comment on each draft filing or patent office correspondence in connection with the foregoing prosecution. If additional documentation is required in order for Kairos to exercise its rights under this paragraph, then the Parties' respective patent counsel shall reasonably cooperate as to the form of such additional documentation and Adimab shall provide such required additional documentation (which may include a power of attorney).

(ii) Prior to applicable Option exercise, Kairos shall not file any Program Antibody Patent that cannot be prevented from publishing, but shall have the right to file Patents on Broad Target/Non-CDR Antibody Inventions and Broad Target/Non-CDR Antibody Patents, regardless of whether or not they can be prevented from publishing; *provided*, in the case of Patents on Broad Target/Non-CDR Antibody Inventions and Broad Target/Non- CDR Antibody Patents, that if they cannot be prevented from publishing, they do not disclose Program Antibody sequences. If Kairos pursuant to the foregoing sentence files any Patents on Broad Target/Non-CDR Antibody Inventions or any Broad Target/Non-CDR Antibody Patents that in either case contain Program Antibody sequences, then until and unless Kairos exercises the applicable Option, Kairos shall timely prevent such Patents from publishing (including by abandoning such patent application if necessary), to the degree that it is legally possible, and after Option exercise Kairos shall only allow them to publish to the extent that the Program Antibody sequences that they contain are Licensed Antibody sequences.

(iii) If the Option for a Target is exercised by Kairos, then Kairos shall abandon those Program Antibody Patents that Cover or disclose Program Antibody sequences to the extent that such Program Antibodies are not Licensed Antibodies and Adimab shall have no right to file, prosecute or maintain such claims. If the Option Term for a Target expires without Kairos exercising the applicable Option, then Program Antibody Patents that Cover or disclose the Program Antibodies to such Target shall be abandoned, and Kairos shall no longer have the right to file, prosecute or maintain such claims. Without Kairos's prior written consent, Adimab may not use any Confidential Information or Program Know-How of Kairos, or any Program Know-How of Adimab, unless in each case independently developed in a manner in compliance with the terms of this Agreement (including the restrictions on Subject Antibody Libraries contained herein), to seek (or have or license any others to seek) any claims in any Patents which Cover or disclose Program Antibody sequences.

(c) Licensed Program Antibody Patents. If Kairos exercises the Option as to any Target then the following applies to all Licensed Program Antibody Patents that Cover Program Antibodies to such Target:

(i) Kairos will use Commercially Reasonable Efforts to prepare, file and prosecute the Licensed Program Antibody Patents. Kairos shall not be entitled, in the Licensed Program Antibody Patents, to seek claims directed to Program Antibodies other than Licensed Antibodies. Adimab will have the opportunity to review and comment upon any patent applications and correspondence related to preparing and prosecuting such Licensed Program Antibody Patents. Kairos shall use Commercially Reasonable Efforts to prepare and prosecute with the goal of obtaining issued valid coverage for the Licensed Antibodies through the Licensed Program Antibody Patents to the extent reasonably possible to obtain. Kairos shall incorporate Adimab's comments to the extent they are reasonable and reasonably consistent with such goal and shall confer and reasonably discuss with Adimab any concerns Kairos has with Adimab's comments and seek to resolve the concerns by mutual agreement. Kairos shall give Adimab no less than [***] days to comment on each draft filing or patent office correspondence in connection with the foregoing prosecution.

(ii) Kairos shall cause to be filed and shall maintain, to the extent legally practicable, at least one (1) Licensed Program Antibody Patent in the Major Markets and all other countries where consistent with Commercially Reasonable Efforts to do so.

(iii) It is understood and agreed that searching for, identification and evaluation of Third Party Patents that may apply to any Program Antibodies based on sequence, Target or the like is the responsibility of Kairos and Adimab shall have no responsibility for the foregoing nor liability if any such Third Party Patents exist. Adimab shall be fully responsible and liable for any breach of any representation and warranty by it with respect to Third Party Patents as set forth in Article 7, without implying any representation or warranty not set forth in such Article 7.

(d) Other Program Inventions.

(i) Adimab Program Inventions. As between the Parties, Adimab shall have the sole right, at its sole expense and in its sole discretion, to prepare, file, prosecute, enforce and maintain (including conducting or participating in interferences and oppositions) all Program Patents claiming Adimab Program Inventions but not falling within the Program Antibody Patents, the Adimab Platform/Core Technology Improvements, or the Broad Target/Non-CDR Antibody Inventions (which, to avoid doubt, are all addressed above).

(ii) Kairos Program Inventions. As between the Parties, Kairos shall have the sole right, at its sole expense and in its sole discretion, to prepare, file, prosecute, enforce and maintain (including conducting or participating in interferences and oppositions) all Program Patents claiming Kairos Program Inventions but not falling within the Program Antibody Patents, the Adimab Platform/Core Technology Improvements, the Broad Target/Non- CDR Antibody Inventions, or Broad Target/Non-CDR Antibody Patents (which, to avoid doubt, are all addressed above).

(iii) Joint Serendipitous Inventions. The Parties shall mutually agree which of them shall be responsible for either using its in-house patent attorneys or through mutually agreed upon outside counsel to prepare, file, prosecute, enforce and maintain Program Patents on Joint Serendipitous Inventions, and how the costs of such activities will be shared.

5.5 Patent Term Restoration. The Parties shall cooperate with each other, including by providing necessary information and assistance as the other Party may reasonably request, to obtain patent term restoration or supplemental protection certificates or their equivalents in any country where applicable to Licensed Program Antibody Patents. After Option exercise, if elections with respect to obtaining such patent term restoration are to be made with respect to Licensed Program Antibody Patents and the Parties do not agree, Kairos shall have the right to make the election and Adimab agrees to abide by such election.

5.6 Cooperation of the Parties. At the reasonable request of the responsible (as provided for in this Article 5) Party, the other Party agrees to cooperate fully in the preparation, filing, prosecution, enforcement and maintenance of any Program Patents under this Agreement. Such cooperation includes executing all papers and instruments (or causing its personnel to do so) reasonably useful to enable the other Party to apply for and to prosecute patent applications in any country; and promptly informing the other Party of any matters coming to such Party's attention that may affect the preparation, filing, prosecution, enforcement or maintenance of any such Patents.

5.7 Infringement of Patents by Third Parties.

(a) License-Competitive Infringement of Licensed Program Antibody Patents.

(i) First Right. Kairos shall have the first right, but not the obligation, to enforce the Licensed Program Antibody Patents against infringement through activities or conduct of a Third Party in the Field ("**License-Competitive Infringement**"). Kairos shall reasonably consider Adimab's comments on any such enforcement activities. Except as provided in subsection (c) or in Section 5.8, Kairos shall bear all costs and expenses for enforcement under this Section 5.7(a)(i) (including the reasonable costs of Adimab's cooperation as required under subsection (c)).

(ii) Back-up Right for License-Competitive Infringement of Licensed Program Antibody Patents. If Kairos does not bring action to prevent or abate License-Competitive Infringement within [***] days (or [***] days in the case of an action brought under the Hatch-Waxman Act, similar U.S. act, or any ex-U.S. equivalent of the Hatch-Waxman Act) after notification thereof to or by Kairos, then Adimab shall have the right, but not the obligation, to bring, at its own expense, an appropriate action against any person or entity engaged in such License-Competitive Infringement directly or contributorily; *provided, however,* that Adimab shall not initiate legal action without first conferring with Kairos and considering in good faith Kairos's reasons for not bringing any such action.

(iii) Proceeds. Recoveries on suits under this Section 5.7(a) will be handled as provided in Section 5.8.

(b) Participation of the other Party with Respect to Infringement Suits. If a Party brings an action against Infringement under this Section 5.7, the other Party shall be entitled to separate representation in such matter by counsel of its own choice and at its own expense, and such Party shall cooperate fully with the Party bringing such action including by being joined as a party plaintiff if necessary to obtain standing for such action (all at the expense on a pass-through basis of the prosecuting Party).

(c) Settlement. Adimab shall not settle a claim brought under this Section

5.8 involving Licensed Program Antibody Patents in a manner that would limit or restrict the ability of Kairos to develop, make or sell Products for use in the Field, or impair the exclusivity of Kairos's license rights under this Agreement, in each case without the prior written consent of Kairos (which consent shall not be unreasonably withheld, conditioned or delayed). Kairos shall not settle a claim brought under this Section 5.7 involving Licensed Program Antibody Patents in a manner that would limit or restrict the ability of Adimab to sell, practice, license and fully enjoy the benefits of Adimab's rights in and to the Licensed Program Antibody Patents as provided in this Agreement or that shortens the life of the Licensed Program Antibody Patents or that would narrow their scope, in each case without the prior written consent of Adimab (which consent shall not be unreasonably withheld, conditioned or delayed).

5.9 Allocation of Proceeds. If monetary damages are recovered from any Third Party in an action brought by a Party under Section 5.7(a), such recovery shall be allocated first to the reimbursement of any costs and expenses incurred by the Party controlling such litigation (including, for this purpose, a reasonable allocation of expenses of internal counsel or other personnel acting in such capacity (i.e., coordination of litigation matters and the like)), to the extent not previously reimbursed, and then the same costs and expenses of the non-controlling Party, and any remaining amounts shall be split as follows:

(i) if Kairos exercised its first right to bring the suit, then the rest of the remaining recovery shall be allocated [***] to Adimab and [***] to Kairos; and

(ii) if instead Adimab exercised its back-up right to enforce, then the rest of the remaining recovery shall be allocated [***] to Adimab and [***] to Kairos.

ARTICLE 6

CONFIDENTIALITY; PUBLICITY.

6.1 General. Any and all information disclosed or submitted in writing or in other tangible form -- or if disclosed orally, that is indicated to be confidential at the time of disclosure and confirmed in writing as such within [***] days after initial disclosure -- to one Party by the other Party under this Agreement or that certain Mutual Confidential Disclosure Agreement between them dated 4 March 2013, or disclosed between the Parties in the course of negotiating this Agreement or the term sheet for this Agreement whether or not reduced to writing if disclosed orally, is the "**Confidential Information**" of the disclosing Party. In addition, notwithstanding the foregoing, (A) the (i) information embodied in Adimab Materials is Adimab's Confidential Information, and information embodied in the Kairos Materials is Kairos's Confidential Information, and (ii) any Program Know-How or Program Invention will be treated as Confidential Information of the Party that owns such Program Know-How or Program Invention, subject to the next clause (B), and (B) sequence data (whether as to amino acid sequence or nucleic acid sequence) as to Program Antibodies shall be deemed the Confidential Information of Adimab, except that (a) sequence data and data generated in the Collaboration by Adimab relating to Program Antibodies shall also be the Confidential Information of Kairos prior to the expiration of the Option Term for the Target to which such Program Antibodies are directed and (b) sequence data and data generated in the Collaboration by Adimab relating to Licensed Antibodies shall be the Confidential Information of Kairos and not the Confidential Information of Adimab. Each Party shall receive and maintain the other Party's Confidential Information in strict confidence. Neither Party shall disclose any Confidential Information of the other Party to any Third Party. Neither Party shall use the Confidential Information of the other Party for any purpose other than as required to perform its obligations or in the reasonable exercise of its rights hereunder. Each Party may disclose the other Party's Confidential Information to the receiving Party's directors, employees, consultants and contractors requiring access thereto for the purposes of this Agreement, *provided, however,* that prior to making any such disclosures, each such person shall be bound by written agreement to maintain Confidential Information in confidence and not to use such information for any purpose other than in accordance with the terms and conditions of this Agreement. Kairos may disclose sequence data and data generated in the Collaboration by Adimab relating to Program Antibodies (even though it is Confidential Information of Adimab) to any bona fide actual or prospective permitted collaborators under Section 2.8, any Program Transaction or Kairos Change of Control counterparties, acquirers, underwriters, investors, lenders or other financing sources who are obligated to keep such information confidential and not to use it other than for the Purpose (defined later in this sentence), to the extent reasonably necessary to enable such actual or prospective collaborators, licensees, sublicensees, acquirers, underwriters, investors, lenders or other financing sources to determine their interest in collaborating with, acquiring or acquiring rights from, underwriting or making an investment in, or otherwise providing financing to, Kairos (the "**Purpose**"). Each Party agrees to take all steps necessary to ensure that the other Party's Confidential Information shall be maintained in confidence including such steps as it takes to prevent the disclosure of its own proprietary and confidential information of like character. Each Party agrees that this Agreement shall be binding upon its Affiliates, and upon the employees and contractors involved in the Research Program of such Party and its Affiliates. Each Party shall take all steps necessary to ensure that its Affiliates and employees and contractors shall comply with the terms and conditions of this Agreement. The foregoing obligations of confidentiality and non-use shall survive, and remain in effect for a period of [***] years from, the termination or expiration of this Agreement in accordance with Article 9.

6.2 Exclusions from Nondisclosure Obligation. The nondisclosure and nonuse obligations in Section 6.1 shall not apply to any Confidential Information to the extent that the receiving Party can establish by competent written proof that it:

(a) at the time of disclosure is publicly known;

(b) after disclosure, becomes publicly known by publication or otherwise, except by breach of this Agreement by such Party;

(c) was in such Party's possession in documentary form at the time of disclosure hereunder;

(d) is received by such Party from a Third Party who has the lawful right to disclose the Confidential Information and who shall not have obtained the Confidential Information either directly or indirectly from the disclosing Party; or

(e) is independently developed by such Party (i.e., without reference to Confidential Information of the disclosing Party).

Notwithstanding the foregoing: (i) the fact that certain technology becomes publicly known shall not release a Party from the obligation to keep confidential (and not use) the information that such technology is practiced (or not practiced) by the other Party; and (ii) the fact that individual features or combinations of features of a technology are or may become publicly known shall not be deemed to indicate that the overall combination is publicly known or disclosed and shall not allow the Party to whom individual features or combinations of features of a technology was disclosed under this Agreement to disclose (or practice) such individual features or combinations of features of a technology outside the scope of a license granted to such Party under this Agreement.

6.3 Required Disclosures. If either Party is required to disclose any Confidential Information of the other Party, pursuant to a governmental law, regulation or order, an order of a court of competent jurisdiction; if strictly necessary to defend litigation (meaning that the defense would not be possible if the information were not disclosed); if necessary to prosecute a litigation under Section 5.7 or between the Parties to establish their rights under this Agreement; or to comply with the rules of the U.S. Securities and Exchange Commission or any stock exchange or listing entity, then the receiving Party may do so; *provided*, *however*, that the receiving Party shall (i) give advance written notice to the disclosing Party, (ii) make a reasonable effort to assist the disclosing Party to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the law or regulation required, and (iii) use and disclose the Confidential Information solely to the extent required by the law, regulation, order, or rule.

6.4 Terms of Agreement. The terms of this Agreement are the Confidential Information of both Parties; *provided*, *however*, that (a) each Party shall be entitled to disclose the terms of this Agreement to bona fide actual or prospective acquirers, underwriters, investors, lenders or other financing sources (and counsel for the foregoing), (b) Kairos shall be entitled to disclose the terms of this Agreement to bona fide actual or prospective Kairos Change of Control or Program Transaction counterparties (and counsel for the foregoing), and (c) Adimab shall be entitled to disclose the terms of this Agreement, but excluding financial terms, the Exhibit to this Agreement, any Research Plan, and any Target identity, to actual and prospective Adimab Platform/Core Technology licensees and/or acquirors (and counsel for the foregoing) who, in the case of each of clauses (a) - (c), are obligated to keep such information confidential and not to use it other than for the Purpose (with "Purpose" being as defined in Section 6.1, both as written there and as applied *mutatis mutandis* to Adimab as applicable). Moreover, each Party shall be entitled to disclose the terms of this Agreement to legal, financial, business and investment banking advisors to the Party, under legally binding obligations of confidentiality and non-use outside of their representation and/or advice to the Party. In addition, if legally required, a copy of this Agreement may be filed by either Party with the SEC (or relevant ex-U.S. counterpart). In that case, the filing Party will if requested by the other Party diligently seek confidential treatment for terms of this Agreement for which confidential treatment is reasonably available, and shall provide the non-filing Party reasonable advance notice of the terms proposed for redactions and a reasonable opportunity to request that the filing Party make additional redactions to the extent confidential treatment is reasonably available under the law.

6.5 Return of Confidential Information. Promptly after the termination or expiration of this Agreement for any reason, each Party shall return to the other Party all tangible manifestations of such other Party's Confidential Information at that time in the possession of the receiving Party.

6.6 Publicity. The Parties have agreed that Adimab may issue the press release regarding this Agreement. The Parties shall mutually agree on language for inclusion in such release and on the timing for issuance of such release. Each Party understands that this Agreement is likely to be of significant interest to investors, analysts and others and, therefore, that either Party has the right to make announcements of events or developments with respect to this Agreement that are material to such Party. The Parties agree that any such announcement will not contain Confidential Information or, if disclosure of Confidential Information is required by law or regulation or the rules of the U.S. Securities and Exchange Commission, any stock exchange or listing entity, will make reasonable efforts to minimize such disclosure and obtain confidential treatment for any such information that is disclosed to a government agency. Each Party agrees to provide the other Party with a copy of any public announcement as soon as reasonably practicable prior to its scheduled release. Except in the case of extraordinary circumstances, each Party will provide the other with an advance copy of any announcement at least [***] days prior to its scheduled release. Each Party has the right to expeditiously review and recommend changes to any announcement regarding this Agreement, provided that such right of review and recommendation will only apply for the first time that specific information is disclosed and will not apply to the subsequent disclosure of substantially similar information that has been previously disclosed. The Parties recognize the importance of announcing when antibodies discovered using the Adimab platform enter the clinic, and that Adimab shall entitled to disclose when Licensed Antibodies under this Agreement enter the clinic, in press releases mutually agreed by the Parties. Kairos shall not unreasonably withhold its consent to the manner in which Adimab proposes to make disclosures that Licensed Antibodies have entered the clinic; *provided*, *however*, that the Target identity and applicable indications may not disclosed without Kairos's prior written consent in its sole discretion. Kairos recognizes that Adimab at times has a practice of grouping announcements as to accomplishments in relation to multiple of its collaborations together into a single press release, and, if Kairos-related accomplishments are being included in such a broader press release, Kairos shall only have the right to approve the wording of those portions of the release that relate to Kairos.

6.7 Certain Data. Notwithstanding this Article 6, without disclosing Kairos's identity, the identity, nature or class of any Target, or the potential indications or class of indications, Adimab shall be entitled to disclose the following Program Antibody attributes: (a) Program Antibody binding affinities (kD), (b) expression range regarding Program Antibodies, (c) germ line distribution of Program Antibodies, and (d) with Kairos's prior written approval, preclinical data in mammalian-cell based *in vitro* assays, and in no event shall Kairos be required to correlate or provide information that correlates such data to any antibody sequences.

6.8 Publication. Kairos may publish or present the results of the Collaboration and/or the results of evaluation of Licensed Antibodies (including during the applicable Option Terms), in each case solely with respect to Licensed Antibodies and/or their Target(s), subject to the prior review by Adimab for patentability and protection of Adimab's Confidential Information as provided in this Section 6.8 and without disclosing Adimab Confidential Information (including sequence information that is Adimab's Confidential Information) (and subject to Section 6.2) unless approved of in advance in writing by Adimab in its sole discretion. During the applicable Option Terms, Kairos will provide to Adimab the opportunity to review any proposed abstracts, manuscripts or summaries of presentations that cover such results. Adimab will designate a person or persons who will be responsible for reviewing such publications. Such designated person will respond in writing promptly and in no event later than [***] days after receipt of the proposed material with either approval of the proposed material or a specific statement of concern, based upon either the need to seek (i) patent protection or (ii) delete Adimab Confidential Information or (iii) concern regarding competitive disadvantage arising from the proposal. In the event of concern, during the applicable Option Terms, Kairos agrees not to submit such publication or to make such presentation that contains such information until Adimab is given a reasonable period of time (not to exceed [***] days) to seek patent protection for any material in such publication or presentation that it believes is patentable and that it has the right to patent, or to resolve any other issues, and, in any case, Kairos will remove from such proposed publication any Confidential Information of Adimab as requested by Adimab.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES.

7.1 Mutual. Each of Adimab and Kairos hereby represents and warrants to the other of them that the representing and warranting Party is duly organized in its jurisdiction of incorporation; that the representing and warranting Party has the full power and authority to enter into this Agreement; that this Agreement is binding upon the representing and warranting Party; that this Agreement has been duly authorized by all requisite corporate action within the representing and warranting Party; and that the execution, delivery and performance by the representing and warranting Party of this Agreement and its compliance with the terms and conditions hereof does not and shall not conflict with or result in a breach of any of the terms and conditions of or constitute a default under (a) any agreement or other instrument binding or affecting it or its Affiliate or the property of either of them, (b) the provisions of its bylaws or other governing documents or (c) any order, writ, injunction or decree of any governmental authority entered against it or by which any of its property is bound.

7.2 Adimab. Adimab hereby represents, warrants and covenants to Kairos that:

(a) As of the Effective Date Adimab has not granted or transferred, and during the term of the Agreement will not grant or transfer, any right or license to any Third Party relating to any of the Adimab Platform/Core Technology or Adimab Platform/Background Patents or Program Know-How, Program Inventions or Program Patents in a manner that would conflict with or narrow the scope of any of the rights or licenses granted to Kairos hereunder (but this shall not be read to imply any obligation for Adimab to refrain from working on any particular target that Kairos may propose to become a Target nor shall it imply any obligation for Adimab to obtain Control of any intellectual property not Controlled by Adimab as of the Effective Date or generated under the Collaboration).

(b) As of the Effective Date Adimab has not received written notice that it is in breach of any agreement to which it is a party that is necessary for the activities contemplated for Adimab to perform under this Agreement (to avoid doubt, including intellectual property in-licenses), to the extent rights or obligations under such agreement are pertinent to Kairos's rights and obligations hereunder.

(c) As of the Effective Date there are no claims, judgments or settlements against or amounts with respect thereto owed by Adimab or any of its Affiliates relating to the Adimab Platform/Core Technology or Adimab Platform/Background Patents, except for any minor liens and encumbrances, amounts due under in-licenses, or issue or other prosecution- related fees due patent offices, in each case that arise in the ordinary course of business and that do not materially detract from Adimab's ability to grant licenses or rights to Kairos as provided in this Agreement or to perform Adimab's obligations under this Agreement (including, in the case of in-licenses, that any amounts due are not the subject of any breach notice received by Adimab).

(d) Prior to the Effective Date, Adimab has through outside counsel conducted one (1) or more freedom to operate analyses with respect to Adimab Platform/Core Technology as then practiced by Adimab, and to Adimab's knowledge and belief as of the Effective Date, the practice of the Adimab Platform/Background Patents or Adimab Platform/Core Technology as practiced by Adimab as of the Effective Date does not infringe a valid, issued Patent owned by a Third Party; *provided, however*, that the following types of Patents are specifically excluded from such representation:

(i) Patents on the use or specific composition of the applicable antibody or Product;

(ii) Patents on the Product formulation;

(iii) Patents relating to any modification to an antibody made by or for (but other than for Kairos by Adimab, excluding work by Adimab pursuant to any of the "optional" work that Kairos may direct Adimab to perform in accordance with this Agreement, and without expressing any opinion as to the freedom-to-operate of any such "optional" work that may be agreed between the Parties in the Research Plans, but including any affinity maturation work by Adimab substantially in accordance with Adimab's standard SOPs and including evolution of cross-reactivity work by Adimab substantially in accordance with Adimab's standard SOPs) Kairos or its Affiliate (including Patents relating to pegylation or other chemical modification);

(iv) Patents relating to activities performed by Kairos or its Affiliate but not activities performed by Adimab;

(v) any antibody manufacturing- or production- (including expression-) related Patents;

(vi) Patents relating to the Target (including that so relate via any mechanism of action via interaction with the Target or claiming antibodies based on their interaction with the Target or their having been tested for their activity against the Target in a biological assay performed by Kairos or its Affiliate); and

(vii) all other Patents that would allegedly apply (x) for any reason other than Covering the manner in which Adimab discovered the antibody based on Coverage of the Adimab Platform/Core Technology itself or its operation generally and (y) in a target-independent manner (i.e., that would apply regardless of target) and (z) independent of the identity, sequence or binding characteristics of any specific antibody.

(e) [***].

(f) To Adimab's knowledge, Adimab's conduct of the activities contemplated in the Research Program using the Adimab Platform/Core Technology will not misappropriate any trade secret of any Third Party (excluding, to be clear, any misappropriation associated with Kairos's provision of the Kairos Materials or any Know-How provided by Kairos or used by Kairos under the Collaboration).

(g) Adimab's obligations under the Collaboration will be performed with requisite care, skill and diligence, in accordance with applicable laws and industry standards, and by individuals who are appropriately trained and qualified.

7.3 Kairos Covenant. Kairos hereby represents, warrants and covenants to Adimab that there are and shall be no contractual or other restrictions on the use of Kairos Materials (including any control antibodies that Kairos will be providing to Adimab) as contemplated under this Agreement or any Research Plan that may be put in place under this Agreement, and the use of them under the Research Programs as contemplated in the applicable Research Plans will not breach any contract between Kairos or its Affiliate and any Third Party, and as between the Parties Kairos shall be solely responsible for any and all liabilities to Third Party(ies) for the use of the Kairos Materials (including such antibodies) as contemplated in the Research Plans including any and all liability for or in connection with breach of contract (including interference with contractual relations), infringement, and the like.

7.4 DISCLAIMER OF WARRANTIES. OTHER THAN THE EXPRESS WARRANTIES OF SECTIONS 7.1, 7.2 AND 7.3, EACH PARTY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR THAT ANY PRODUCTS DEVELOPED UNDER THIS AGREEMENT ARE FREE FROM THE RIGHTFUL CLAIM OF ANY THIRD PARTY, BY WAY OF INFRINGEMENT OR THE LIKE, OR THAT ANY PROGRAM PATENTS WILL ISSUE OR BE VALID OR ENFORCEABLE, OR THAT THE DEVELOPMENT, MANUFACTURE OR COMMERCIALIZATION OF ANY PRODUCT PURSUANT TO THIS AGREEMENT WILL BE SUCCESSFUL.

ARTICLE 8

INDEMNIFICATION

8.1 By Adimab. Adimab hereby agrees to indemnify, defend and hold harmless (collectively, "**Indemnify**") Kairos, its Affiliates and its and their directors, officers, agents and employees (collectively, "**Kairos Indemnitees**") from and against any and all liability, loss, damage or expense (including without limitation reasonable attorneys' fees) (collectively, "**Losses**") they may suffer as the result of Third Party claims, demands and actions (collectively, "**Third-Party Claims** ") to the extent arising out of or relating to both (x) activities under this Agreement or a grant or exercise of rights granted under this Agreement and (y) any of (a) any material breach of any of Adimab's obligations under this Agreement or any breach (whether or not material) of a representation, warranty or covenant made by Adimab under Article 7; or (b) the negligence or intentional misconduct of Adimab Indemnitees; except in each case to the extent of any Losses (i) attributable to the negligence or intentional misconduct of any Kairos Indemnitee, (ii) arising out of or relating to any material breach of any of Kairos's obligations under this Agreement, including any representation or warranty or covenant made by Kairos under Article 7, or (iii) for which Kairos is required to Indemnify Adimab pursuant to Section 8.2.

8.2 By Kairos. Kairos hereby agrees that it, its Affiliates and all Program Transaction counterparties shall Indemnify Adimab, its Affiliates and its and their directors, officers, agents and employees (collectively, "**Adimab Indemnitees**") from and against any and all Losses they may suffer as the result of Third-Party Claims to the extent arising out of or relating to both (x) activities under this Agreement or a grant or exercise of rights granted under this Agreement and (y) any of (a) any material breach of any of Kairos's obligations under this Agreement or any breach (whether or not material) of a representation, warranty or covenant made by Kairos under Article 7; (b) the negligence or intentional misconduct of Kairos Indemnitees; (c) research, testing, development, manufacture, use, sale, distribution, licensing and/or commercialization of Licensed Antibodies and/or Products (or Program-Benefited Antibodies or products incorporating them) by or for Kairos, its Affiliate or any entity deriving rights from any of them; (d) Target-related intellectual property (including Patents directed to antibodies based on their interaction with any Target); (e) Target-related or Kairos Materials- related contractual obligations of Kairos and its Affiliates; (f) intellectual property applying to any Program Antibody or Program-Benefited Antibody, or antigen or other campaign-specific reagent (such as a comparator antibody used in selections), in each case, based on its sequence or other characteristics (it being understood and agreed in accordance with 7.2(d) that Adimab does not perform intellectual property searches on Program Antibodies (including sequence-based searches) and this is the responsibility of Kairos); or (g) intellectual property relevant to any "optional" (as described in the last paragraph of Section 2.2(d)) activities identified in the Research Plan(s) (including any and all antibody humanization-related Patents but excluding Adimab's activities relating to affinity maturation or evolution of cross-reactivity); except in each case to the extent of any Losses (i) attributable to the negligence or intentional misconduct of any Adimab Indemnitee *(provided, however,* that this shall not be read or alleged by Kairos to undermine the requirement to indemnify for Third-Party intellectual property as provided for in this Section 8.2), or (ii) arising out of or relating to any material breach of any of Adimab's obligations under this Agreement, including any representation, warranty or covenant made by Adimab under Article 7.

As regards Third Parties deriving rights from Kairos or its Affiliate under this Agreement, it shall be sufficient that each such Third Party provide the foregoing indemnification solely with respect to the activities and scope of rights that are within the particular Third Party's scope of rights received from Kairos or its Affiliate, not the activities of others independently deriving rights from Kairos or its Affiliate.

8.3 Procedures. Each of the foregoing agreements to Indemnify is conditioned on the relevant Adimab Indemnitees or Kairos Indemnitees (a) providing prompt written notice of any Third-Party Claim giving rise to an indemnification obligation hereunder, (b) permitting the indemnifying Party to assume full responsibility to investigate, prepare for and defend against any such Third-Party Claim, (c) providing reasonable assistance in the defense of such claim at the indemnifying Party's reasonable expense, and (d) not compromising or settling such Third- Party Claim without the indemnifying Party's advance written consent. If the Parties cannot agree as to the application of the foregoing Sections 8.1 and 8.2, each may conduct separate defenses of the Third-Party Claim, and each Party reserves the right to claim indemnity from the other in accordance with this Article 8 upon the resolution of the underlying Third-Party Claim.

8.4 Limitation of Liability. EXCEPT TO THE EXTENT SUCH PARTY MAY BE REQUIRED TO INDEMNIFY THE OTHER PARTY UNDER THIS ARTICLE 8 (INDEMNIFICATION) OR AS REGARDS A BREACH OF A PARTY'S RESPONSIBILITIES PURSUANT TO ARTICLE 6 (CONFIDENTIALITY; PUBLICITY), NEITHER PARTY NOR ITS RESPECTIVE AFFILIATES SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, WHETHER IN CONTRACT, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE.

ARTICLE 9

TERM.

9.1 Term. The term of this Agreement shall commence on the Effective Date and shall expire upon (a) the expiration of the last Option (if it expires unexercised), or (b) if later, on a country-by-country basis on the expiration of the last Royalty Term for a Product in the particular country, in each case, unless earlier terminated by a Party as set forth below in this Article 9. On expiration under (b) in the particular country, the license of Section 3.3 for the corresponding Product and its Licensed Antibody shall automatically convert to be perpetual, irrevocable, non-exclusive and fully-paid in such country.

9.2 Material Breach.

(a) Either Party may terminate this Agreement for the material breach of this Agreement by the other Party, if such breach remains uncured [***] days following notice from the non-breaching Party to the breaching Party specifying such breach; *provided, however,* that if cure of such breach cannot reasonably be effected within such [***] day period, the breaching party may deliver to the non-breaching Party a plan reasonably calculated to cure such breach within a timeframe that is reasonably prompt in light of the circumstances then prevailing but in no event longer than an additional [***] days. Following delivery of such a plan, the breaching Party will carry out the plan and cure the breach. If there is a good faith dispute as to the existence or cure of a breach or default pursuant to this Section 9.2, all applicable cure periods will be tolled during the existence of such good faith dispute and no termination for a breach which is disputed in good faith will become effective until such dispute is resolved pursuant to the process set forth in Section 10.2.

(b) For Targets for which the Option has been exercised, the foregoing Section 9.2(a) applies on a Target basis if there is a material adverse effect of the breach on the rights and obligations under this Agreement with respect to such Target (and its associated Patents, Licensed Antibodies, and Products). Furthermore, if Kairos is the breaching Party and the material adverse effect of the breach is limited to a given Target for which the corresponding Option has been exercised, then the termination shall be effective only as to the Target to which the uncured material breach relates (and its related Patents, Licensed Antibodies and Products). If the material breach has, or is reasonably likely to have, a material adverse effect only on the development, manufacture or commercialization of a Product in a particular jurisdiction or jurisdictions, then this Agreement shall not terminate with respect to such Product and associated Target in the Territory outside of such jurisdiction or jurisdictions, and the foregoing obligations shall only apply to the terminated jurisdiction or jurisdictions.

9.3 Elective Termination. Effective no sooner than the end of the Tail Period, Kairos may terminate this Agreement in its entirety on three (3) months prior written notice to Adimab. Kairos may also terminate this Agreement as to all Licensed Antibodies to a particular Target and all Products based on the terminated Licensed Antibodies by three (3) months prior written notice to Adimab. Such right to terminate on a Target basis shall be exercisable one (1) or more times (at different times for different Targets).

9.4 Survival in All Cases. Termination of this Agreement shall be without prejudice to or limitation on any other remedies available to nor any accrued obligations of either Party. In addition, Sections 2.4(c) (except that Section 2.4(c) shall not survive termination by Adimab under Section 9.2 for Kairos's uncured material breach), 2.5(a), 2.5(c) (to the extent that Kairos retains rights to any Program-Benefited Antibodies pursuant to Section 9.5), 2.6, 2.7, 2.9 (except that Section 2.9 shall not survive termination by Adimab under Section 9.2 for Kairos's uncured material breach), 3.5 (to the extent that Kairos retains rights to any Program-Benefited Antibodies pursuant to Section 9.5), 4.3 through 4.16 (with respect to payment obligations outstanding as the effective date of termination or expiration; with respect to any Program- Benefited Antibodies that Kairos retains rights to pursuant to Section 9.5; and in the case of Section 4.3(g), payment obligations for Epitope Patent-Only Transactions after the date of termination or expiration shall continue to accrue for the life of the Epitope Patents), 5.1, 5.2(a), 5.2(b)(iii), 5.4(a) and (d), 7.3, and 7.4 and Articles 1 (to the extent the definitions in such Article are relevant to other surviving provisions of this Agreement or a covenant is contained in such Article), 6, 8, 9 and 10 shall survive any expiration or termination of this Agreement. Further, upon termination of this Agreement by either Party under Section 9.2 or 9.3, then Kairos and its Affiliates will no longer develop or commercialize any Licensed Antibody or Product (subject to Section 9.2(b) for partial terminations).

9.5 Certain Consequences of Termination. If this Agreement expires or terminates in its entirety (other than an expiration under Section 9.1 following an Option exercise after all Royalty Terms have expired ("**Full Payment Term Expiration**")), or in part (e.g., only in certain jurisdictions or only in connection with certain Targets), Kairos hereby covenants that unless Kairos agrees in writing to pay Adimab payments as set forth in Article 4 with respect to products containing a Program-Benefited Antibody as if such products were Products (and as to related transactions as if they were Program Transactions), Kairos and its Affiliates shall not (a) develop or commercialize such Program-Benefited Antibody or product containing such Program-Benefited Antibody, (b) license or otherwise grant rights to any entity to do the foregoing, or (c) practice, license or assign to a Third Party, option to a Third Party or covenant not to sue a Third Party with respect to such Program-Benefited Antibody. In the event that Kairos agrees to pay Adimab payments as set forth in Article 4 with respect to products containing a Program-Benefited Antibody as if such products were Products (and as to related transactions as if they were Program Transactions), then Adimab shall agree to a covenant not to sue Kairos with respect to such products and transactions as set forth in Section 3.5(b). Other than after a Full Payment Term Expiration, if Kairos has elected under Section 5.1 to include dependent program antibody CDR-specific claims (i.e., a patent claim that would be a Program Antibody CDR-Specific Claim but for being a dependent claim) in any Broad Target/Non-CDR Antibody Patent, then Kairos shall not include such dependent claim(s) in any license granted under such Broad Target/Non-CDR Antibody Patent.

9.6 Survival of Sublicenses. In the event that the licenses granted to Kairos under this Agreement are terminated, any granted sublicenses to Program Transaction counterparties (to avoid doubt, granted to Third Parties, not Kairos Affiliates) will remain in full force and effect; *provided*, that the sublicensee is not then in breach of its Program Transaction agreement and the Program Transaction counterparty agrees to be bound to Adimab as a licensor under the terms and conditions of the Program Transaction agreement (including payment obligations), without imposing any greater obligation on Adimab than imposed on Adimab under this Agreement. Adimab will enter into appropriate agreements or amendments to the Program Transaction agreement to substitute itself for Kairos as the licensor thereunder. Regardless of any prior Royalty Election or Revenue Election made by Kairos, upon the effective date of such termination the Revenue Election shall apply to any Program Transaction to which Adimab becomes a party under this Section, and the provisions of Sections 4.3(c), (d), (e), (f) and (g) and Section 4.4 shall apply *mutatis mutandis* to require Adimab to make payments to Kairos with respect to such Program Transaction in the same amounts and in relation to the same revenues and sales as such Sections of the Agreement provide for Kairos to pay Adimab with respect to Program Transactions subject to the Revenue Election; *provided, however,* that Adimab may apply, as a credit against any future payments Adimab is required to make to Kairos under this Agreement, up to [***] percent ([***]) of the amount ("**Adimab True-up Amount**") equal to (i) [***] percent ([***]) of the total amount of any Program Transaction Revenue or Multi-Product Deal Program Transaction Revenue, as the case may be, received by Kairos in respect of such Program Transaction under this Agreement prior to the effective date of termination, less (ii) the [***] amount of any payments received by Adimab in respect of such Program Transaction under this Agreement prior to the effective date of termination, until such Adimab True-up Amount has been applied in full. To avoid doubt, Adimab is not required to assume any greater obligations to the Program Transaction counterparty than Adimab's obligations to Kairos under this Agreement, other than the obligation to provide a sublicense under the license to Adimab of Section 9.5 under any Broad Target/Non-CDR Antibody Patents.

9.7 Bankruptcy. All licenses and rights to licenses granted under or pursuant to this Agreement by Adimab to Kairos are, and will otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that Kairos, as a licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the Bankruptcy Code. The parties further agree that that upon commencement of a bankruptcy proceeding by or against Adimab under the Bankruptcy Code, Kairos will be entitled to a complete duplicate of, or complete access to (as Kairos deems appropriate), all such intellectual property and all embodiments of such intellectual property. Such intellectual property and all embodiments of such intellectual property will be promptly delivered to Kairos (a) upon any such commencement of a bankruptcy proceeding and upon written request by Kairos, unless Adimab elects to continue to perform all of its obligations under this Agreement, or (b) if not delivered under (a) above, upon the rejection of this Agreement by or on behalf of Adimab and upon written request by the Kairos. Adimab (in any capacity, including debtor-in-possession) and its successors and assigns (including any trustee) agrees not to interfere with the exercise by Kairos or its Affiliates of its rights and licenses to such intellectual property and such embodiments of intellectual property in accordance with this Agreement, and agrees to assist Kairos and its Affiliates in obtaining such intellectual property and such embodiments of intellectual property in the possession or control of Third Parties as reasonably necessary or desirable for Kairos to exercise such rights and licenses in accordance with this Agreement. The foregoing provisions are without prejudice to any rights Kairos may have arising under the Bankruptcy Code or other applicable law. Notwithstanding the foregoing in this Section 9.7, nothing in this Section 9.7 shall be read to entitle Kairos to obtain disclosure of or access to Adimab Platform/Core Technology (including Adimab Platform/Core Technology Improvements), whether or not as an "embodiment," "update," or otherwise, at any time, and Kairos shall not under any circumstances notwithstanding anything express or implied in this Agreement be entitled to disclosure of Adimab Platform/Core Technology (including Adimab Platform/Core Technology Improvements).

ARTICLE 10

MISCELLANEOUS.

10.1 Independent Contractors. The Parties shall perform their obligations under this Agreement as independent contractors. Nothing contained in this Agreement shall be construed to be inconsistent with such relationship or status. This Agreement and the Parties' relationship in connection with it shall not constitute, create or in any way be interpreted as a joint venture, fiduciary relationship, partnership or agency of any kind.

10.2 Dispute Resolution.

(a) Escalation. Either Party may refer any dispute in connection with this Agreement to senior executives of the Parties (for Adimab, an Officer or Board member who is not an Officer, Board member or stockholder in Kairos or representing a fund that is a stockholder in Kairos and for Kairos, an Officer or Board member who is not an Officer, Board member or stockholder in Adimab or representing a fund that is a stockholder in Adimab) for good-faith discussions over a period of not less than [***] days (the "**Senior Executives Discussions**"). Each Party will make its executives reasonably available for such discussions. If the Parties are unable to resolve the dispute through the Senior Executives Discussions within such [***] days, then either Party may proceed to seek arbitration of the matter.

(b) Arbitration.

(i) Any Dispute referred for arbitration shall be finally resolved by binding arbitration in accordance with the most applicable rules of the American Arbitration Association ("**AAA**") and judgment on the arbitration award may be entered in any court having jurisdiction.

(ii) The arbitration shall be conducted by a panel of three (3) arbitrators with at least five (5) years' experience in the business of biopharmaceuticals. If the issues in dispute involve scientific, technical or commercial matters, then any arbitrator chosen under this Agreement shall have educational training and industry experience sufficient to demonstrate a reasonable level of relevant scientific, technical and commercial knowledge as applied to the pharmaceutical industry. If the issues in dispute involve patent matters, then at least two (2) of the arbitrators shall be a licensed patent attorney. Within [***] days after a Party demands arbitration, each Party shall select one person to act as arbitrator, and the two Party-selected arbitrators shall select a third arbitrator within [***] days after their own appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, then the third arbitrator shall be appointed by the AAA. The seat of arbitration shall be New York, New York. All proceedings and communications as part of the arbitration shall be in English. Following selection of the third arbitrator, the arbitrators shall use all reasonable efforts to complete the arbitration proceedings and render an award within [***] months after the last arbitrator is appointed.

(iii) Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrators' fees and any administrative fees or arbitration, unless in each case the arbitrators agree otherwise, which they are hereby empowered, authorized and instructed to do if they determine that to be fair and appropriate.

(iv) Except to the extent necessary to confirm an award or as may be required by law, regulation, or the requirement of any exchange on which a Party's shares are traded, neither Party shall disclose the existence, content or results of an arbitration under this Agreement without the prior written consent of the other Party.

10.3 Governing Law and Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York without giving effect to principles of conflicts of laws that would require the application of any other law; *provided, however,* that matters of intellectual property law will be determined in accordance with the United States federal law. Any and all judicial resolutions of disputes in connection with this Agreement shall be in federal court located within any of the boroughs of New York City, New York, and each Party hereby consents to the jurisdiction and venue of such courts, and waives all defenses it may have to such jurisdiction and venue, including that the court cannot assert personal jurisdiction over the defendant and *forum non conveniens.*

10.4 Entire Agreement. This Agreement (including its Exhibit), together with Amendment Number One to the Original Agreement, dated December 9, 2014, sets forth all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and supersedes and terminates all prior agreements and understandings between the Parties with respect to such subject matter (including that certain Mutual Confidential Disclosure Agreement between the Parties dated 8 March 2011). No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by the respective authorized officers of the Parties.

10.5 Assignment. Neither Party may assign in whole or in part this Agreement without the advance written consent of the other Party, except as set forth in the following sentence. Either Party may assign this Agreement in its entirety to the successor to all or substantially all of its stock or assets to which this Agreement relates in connection with its merger with, or the sale of all or substantially all of its stock or assets to which this Agreement relates, to another entity, regardless of the form of the transaction. In addition, Adimab may assign this Agreement, or any of its rights under this Agreement, in connection with the sale of, monetization of, transfer of, or obtaining financing on the basis of the payments due to Adimab under this Agreement or debt or project financing in connection with this Agreement. Also, Kairos may assign its rights and obligations under this Agreement on a Target-by-Target basis, at any time after Option exercise for the particular Target, to any entity to which Kairos assigns all or substantially all of its assets with respect to such Target (and its related Patents, Licensed Antibodies and Products); *provided* that, to avoid any ambiguity as to what rights and obligations are being assigned, Adimab shall be entitled to require before the closing of such transaction that a separate document be created and signed between the Parties addressing solely the rights and obligations in relation to such Target (and its related Patents, Licensed Antibodies and Products) and it shall be only the rights and obligations set forth in such separate document that shall be assigned in the transaction. In addition, upon written request by Kairos at any time during the term of this Agreement, a separate document will be created and signed between the Parties addressing solely the rights and obligations in relation to a Target (and its related Know-How, Patents, Licensed Antibodies, Program-Benefited Antibodies and Products), and such Target shall no longer be subject to this Agreement. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Any assignment of this Agreement not made in accordance with this Agreement is prohibited hereunder and shall be null and void.

10.6 Severability. If one or more of the provisions in this Agreement are deemed unenforceable by law, then such provision shall be deemed stricken from this Agreement and the remaining provisions shall continue in full force and effect.

10.7 Force Majeure. Both Parties shall be excused from the performance of their obligations under this Agreement to the extent that such performance is prevented by a Force Majeure (defined below) and the nonperforming Party promptly provides notice of the prevention to the other Party. Such excuse shall be continued so long as the condition constituting Force Majeure continues and the nonperforming Party takes reasonable efforts to remove the condition, but no longer than six (6) months. For purposes of this Agreement, "**Force Majeure**" means conditions beyond a Party's reasonable control or ability to plan for, including acts of God, war, terrorism, civil commotion, labor strike or lock-out; epidemic; failure or default of public utilities or common carriers; and destruction of production facilities or materials by fire, earthquake, storm or like catastrophe; *provided*, *however,* the payment of invoices due and owing under this Agreement shall not be excused by reason of a Force Majeure affecting the payor.

10.8 Notices. Any notice required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be deemed to have been sufficiently given for all purposes if (a) mailed by first class certified or registered mail, postage prepaid, (b) delivered by express delivery service, (c) personally delivered, or (d) transmitted by facsimile with proof of completed transmission and which notice by facsimile shall be followed reasonably promptly by an additional notice pursuant to one of clause (a), (b) or (c) above. Unless otherwise specified in writing, the mailing addresses of the Parties shall be as described below. Kairos will provide its facsimile number by written notice within 60 days after the Effective Date.

If to Adimab:

Adimab LLC.
7 Lucent Drive
Lebanon, NH 03766
Attention: CEO

with a required copy to each of:

Attention: General Counsel at the same address.

If to Kairos:

Kairos Biologics Foundation LLC
44 South Main Street
Hanover, NH 03755
Attention: CEO

10.9 Construction. This Agreement has been prepared jointly and shall not be strictly construed against either Party. Ambiguities, if any, in this Agreement shall not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision.

10.10 Headings. The headings for each article and section in this Agreement have been inserted for convenience of reference only and are not intended to limit or expand on, nor to be used to interpret, the meaning of the language contained in the particular article or section.

10.11 No Waiver. Any delay in enforcing a Party's rights under this Agreement or any waiver as to a particular default or other matter shall not constitute a waiver of such Party's rights to the subsequent enforcement of its rights under this Agreement, excepting only as to an express written and signed waiver as to a particular matter for a particular period of time executed by an authorized officer of the waiving Party.

10.12 Performance by Affiliates. A Party may perform some or all of its obligations under this Agreement through Affiliate(s) or may exercise some or all of its rights under this Agreement through Affiliates. Each Party shall remain responsible and be guarantor of the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. In particular and without limitation, all Affiliates of a Party that receive Confidential Information of the other Party pursuant to this Agreement shall be governed and bound by all obligations set forth in Article 6, and shall (to avoid doubt) be subject to the intellectual property assignment and other intellectual property provisions of Article 5 as if they were the original Party to this Agreement (and be deemed included in the actual Party to this Agreement for purposes of all intellectual property-related definitions). A Party and its Affiliates shall be jointly and severally liable for their performance under this Agreement.

10.13 Counterparts. This Agreement may be executed in one or more identical counterparts, each of which shall be deemed to be an original, and which collectively shall be deemed to be one and the same instrument. In addition, signatures may be exchanged by facsimile or PDF.

[remainder of page intentionally blank]

In Witness Whereof, the Parties have by duly authorized persons executed this Agreement as of the date first written above.

Kairos Biologics Foundation LLC:

Sign: /s/ Thomas J. Schuetz

Print Name: Thomas J. Schuetz

Title: CEO

Date: February 11, 2015

Adimab, LLC

Sign: /s/ Tillman Gerngross

Print Name: Tillman Gerngross

Title: CEO and Co-Founder

Date: February 12, 2015

Exhibit List

A - Form of questionnaire

EXHIBIT A

FORM OF QUESTIONNAIRE

Partner Completed Target Questionnaire

[***]

Exhibit 10.10

COMPASS THERAPEUTICS LLC

COMPASS THERAPEUTICS ADVISORS, INC.

PACIFIC WESTERN BANK

LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT (the "Agreement") is entered into as of March 30, 2018, by and between PACIFIC WESTERN BANK, a California state chartered bank ("Bank") and COMPASS THERAPEUTICS LLC, a Delaware limited liability company ("Parent"), and COMPASS THERAPEUTICS ADVISORS, INC., a Delaware corporation ("Advisors", and together with Parent, each a "Borrower", and collectively, "Borrowers").

RECITALS

Borrowers wish to obtain credit from time to time from Bank, and Bank desires to extend credit to Borrowers. This Agreement sets forth the terms on which Bank will advance credit to Borrowers, and Borrowers will repay the amounts owing to Bank.

AGREEMENT

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. As used in this Agreement, all capitalized terms shall have the definitions set forth on Exhibit A. Any term used in the Code and not defined herein shall have the meaning given to the term in the Code.

1.2 Accounting Terms. Any accounting term not specifically defined on Exhibit A shall be construed in accordance with GAAP and all calculations shall be made in accordance with GAAP (except for non-compliance with FAS 123R in monthly reporting). The term "financial statements" shall include the accompanying notes and schedules.

2. LOAN AND TERMS OF PAYMENT.

2.1 Credit Extensions.

(a) Promise to Pay. Borrowers promise to pay to Bank, in lawful money of the United States of America, the aggregate unpaid principal amount of all Credit Extensions made by Bank to Borrowers, together with interest on the unpaid principal amount of such Credit Extensions at rates in accordance with the terms hereof.

(b) Term Loan.

(i) Term Loan. Subject to and upon the terms and conditions of this Agreement, (i) Bank agrees to make a Term Loan to Borrowers in an aggregate principal amount not to exceed Fifteen Million Dollars ($15,000,000), consisting of Tranche I and Tranche II, (ii) Tranche I shall be funded on or about the Closing Date, and (iii) Tranche II shall be funded upon satisfaction of the Tranche II Equity Event not later than September 30, 2018. The proceeds of the Term Loan shall be used for general working capital purposes and for capital expenditures.

(ii) Repayment. Interest shall accrue from the date of the Term Loan at the rate specified in Section 2.3(a) and shall be payable monthly beginning on the first day of the month next following the Term Loan, and continuing on the same day of each month thereafter. Any amount of the Term Loan that is outstanding on the Interest Only End Date shall be payable in, (A) if the Interest Only End Date is March 30, 2019, thirty-six (36) equal monthly installments of principal, plus all accrued interest, (B) if the Interest Only Date is September 30, 2019 or March 30, 2020, thirty (30) equal monthly installments of principal, plus all accrued interest, beginning on the first day of the month next following the Interest Only End Date, and continuing on the same day of each month thereafter through the Maturity Date, at which time all amounts due in connection with the Term Loan and any other amounts due under this Agreement shall be immediately due and payable. The Term Loan, once repaid, may not be reborrowed.

(iii) Prepayment. Borrowers may prepay all but not less than all of the Term Loan at any time, provided that Borrowers may not reborrow any amount so prepaid, and provided further that upon any prepayment, including any prepayment required because of acceleration of the Term Loan after the occurrence of an Event of Default, Borrowers shall pay, in addition to all outstanding principal and accrued interest on the Term Loan, a prepayment fee equal (the "Prepayment Fee") to (A) 2.0% of the outstanding balance of the Term Loan if the prepayment occurs within twelve (12) months of the Closing Date, (B) 1.0% of the outstanding balance of the Term Loan if the prepayment occurs on or after the date which is twelve (12) months after the Closing Date through and including the date which is twenty four (24) months after the Closing Date and (C) 0.5% of the outstanding balance of the Term Loan if the prepayment occurs on or after the date which is twenty-four (24) months after the Closing Date but prior to the Maturity Date.

(iv) Notice of Borrowing. Borrowers shall notify Bank (which notice shall be irrevocable) by facsimile transmission to be received no later than 3:30 p.m. Eastern time on the day on which the Term Loan is to be made. Such notice shall be substantially in the form of Exhibit C.

(c) Usage of Credit Card Services Under Credit Card Line.

(i) Usage Period. Subject to and upon the terms and conditions of this Agreement, at any time through the Credit Card Maturity Date, Borrowers may use the Credit Card Services (as defined below) in amounts and upon terms as provided in this Section.

(ii) Credit Card Services. Subject to and upon the terms and conditions of this Agreement, Borrowers may request corporate credit cards and standard e-commerce merchant account services from Bank (collectively, the "Credit Card Services"). The aggregate limit of the corporate credit cards and merchant credit card processing reserves shall not exceed the Credit Card Line. The terms and conditions (including repayment and fees) of such Credit Card Services shall be subject to the terms and conditions of Bank's standard forms of application and agreement for the Credit Card Services, which Borrowers hereby agree to execute.

(iii) Collateralization of Obligations Extending Beyond Maturity. If Borrowers have not secured to Bank's satisfaction its obligations with respect to any credit card services that extend beyond the term of this Agreement, then, effective as of such date, the balance in any deposit accounts held by Bank and the certificates of deposit or time deposit accounts issued by Bank in a Borrower's name (and any interest paid thereon or proceeds thereof, including any amounts payable upon the maturity or liquidation of such certificates or accounts), shall automatically secure such obligations to the extent of the then continuing or outstanding credit care services. Borrowers authorize Bank to hold such balances in pledge and to decline to honor any drafts thereon or any requests by a Borrower or any other Person to pay or otherwise transfer any part of such balances for so long as the applicable Ancillary Services are outstanding or continue.

2.2 Reserved.

2.3 Interest Rates, Payments, and Calculations.

(a) Interest Rates. Except as set forth in Section 2.3(b), the Term Loan shall bear interest, on the outstanding daily balance thereof, at a variable annual rate equal to the greater of (A) 2.00% above the Prime Rate then in effect and (B) 6.25%. Notwithstanding the foregoing, if Parent has achieved both Milestone I and Milestone II (the "Milestone Achievements"), except as set forth in Section 2.3(b), the Term Loan shall bear interest, on the outstanding daily balance thereof, at a variable annual rate equal to the greater of (A) 1.50% above the Prime Rate then in effect and (B) 6.25%, effective on the date immediately following the Milestone Achievements.

(b) Late Fee; Default Rate. If any payment is not made within 15 days after the date such payment is due, Borrowers shall pay Bank a late fee equal to the lesser of (i) 5% of the amount of such unpaid amount and (ii) the maximum amount permitted to be charged under applicable law. All Obligations shall bear interest, from and after the occurrence and during the continuance of an Event of Default, at a rate equal to 5% above the interest rate applicable immediately prior to the occurrence of the Event of Default.

(c) Payments. Borrowers authorize Bank to, at its option, charge such interest, all Bank Expenses, and all Periodic Payments against any of Borrowers ' deposit accounts. Any interest not paid when due shall be compounded by becoming a part of the Obligations, and such interest shall thereafter accrue interest at the rate then applicable hereunder.

(d) Computation. In the event the Prime Rate is changed from time to time hereafter, the applicable rate of interest hereunder shall be increased or decreased, effective as of the day the Prime Rate is changed, by an amount equal to such change in the Prime Rate. All interest chargeable under the Loan Documents shall be computed on the basis of a 360 day year for the actual number of days elapsed.

2.4 Crediting Payments. Prior to the occurrence of an Event of Default, Bank shall credit a wire transfer of funds, check or other item of payment to such deposit account or Obligation as Borrowers specify. After the occurrence and during the continuance of an Event of Default, Bank shall have the right, in its sole discretion, to immediately apply any wire transfer of funds, check, or other item of payment Bank may receive to conditionally reduce Obligations, but such applications of funds shall not be considered a payment on account unless such payment is of immediately available federal funds or unless and until such check or other item of payment is honored when presented for payment. Notwithstanding anything to the contrary contained herein, any wire transfer or payment received by Bank after 5:30 p.m. Eastern Time shall be deemed to have been received by Bank as of the opening of business on the immediately following Business Day. Whenever any payment to Bank under the Loan Documents would otherwise be due (except by reason of acceleration) on a date that is not a Business Day, such payment shall instead be due on the next Business Day, and additional fees or interest, as the case may be, shall accrue and be payable for the period of such extension.

2.5 Fees. Borrowers shall pay to Bank the following:

(a) Facility Fee. On or before the Closing Date, a fee equal to $15,000, which shall be nonrefundable;

(b) Prepayment Fee. The Prepayment Fee, when due hereunder;

(c) Success Fee. Upon a Liquidity Event, Borrowers shall pay to Bank a fee of (i) $750,000, plus, if Tranche II is advanced, (ii) $300,000 (collectively, the "Success Fee"). Notwithstanding anything to the contrary in this Agreement, this Section 2.5(c) shall survive any termination of this Agreement; and

(d) Bank Expenses. On the Closing Date, all Bank Expenses incurred through the Closing Date, and, after the Closing Date, all Bank Expenses, as and when they become due.

2.6 Term. This Agreement shall become effective on the Closing Date and, subject to Section 12.7, shall continue in full force and effect for so long as any Obligations remain outstanding or Bank has any obligation to make Credit Extensions under this Agreement. Notwithstanding the foregoing, Bank shall have the right to terminate its obligation to make Credit Extensions under this Agreement immediately and without notice upon the occurrence and during the continuance of an Event of Default.

3. CONDITIONS OF LOANS.

3.1 Conditions Precedent to Closing. The agreement of Bank to enter into this Agreement on the Closing Date is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, each of the following items and completed each of the following requirements:

(a) this Agreement;

(b) an officer's certificate of each Borrower with respect to incumbency and resolutions authorizing the execution and delivery of this Agreement;

(c) a financing statement (Form UCC-1);

(d) payment of the fees and Bank Expenses then due specified in Section 2.5, which may be debited from any of Borrowers' accounts with Bank;

(e) current SOS Reports indicating that except for Permitted Liens, there are no other security interests or Liens of record in the Collateral;

(f) current financial statements, including audited statements (or such other level required by the Investment Agreement) for each Borrower's most recently ended fiscal year, together with an unqualified opinion (or an opinion qualified only for going concern so long as Borrowers' investors provide additional equity as needed), company prepared consolidated and consolidating balance sheets, income statements, and statements of cash flows for the most recently ended month in accordance with Section 6.2, and such other updated financial information as Bank may reasonably request;

(g) current Compliance Certificate in accordance with Section 6.2;

(h) evidence satisfactory to Bank that the insurance policies required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing loss payable and additional insured clauses or endorsements in favor of Bank,

(i) a Borrower Information Certificate for each Borrower;

(j) Borrowers shall have opened and funded not less than $50,000 in deposit accounts held with Bank; and

(k) such other documents or certificates, and completion of such other matters, as Bank may reasonably request.

3.2 Conditions Precedent to all Credit Extensions. The obligation of Bank to make each Credit Extension, including the initial Credit Extension, is contingent upon the Borrowers' compliance with Section 3.1 above, and is further subject to the following conditions:

(a) timely receipt by Bank of the Loan Advance/Paydown Request Form as provided in Section 2.1;

(b) Borrowers shall have transferred substantially all of its Cash assets into operating accounts held with Bank and otherwise be in compliance with Section 6.6 hereof;

(c) in Bank's sole but reasonable discretion, there has not been a Material Adverse Effect; and

(d) the representations and warranties contained in Section 5 shall be true and correct in all material respects on and as of the date of such Loan Advance/Paydown Request Form and on the effective date of each Credit Extension as though made at and as of each such date, and no Event of Default shall have occurred and be continuing, or would exist after giving effect to such Credit Extension (provided, however, that those representations and warranties expressly referring to another date shall be true and correct in all material respects as of such date, and provided further that any representation or warranty that contains a materiality qualification therein shall be true and correct in all respects). The making of each Credit Extension shall be deemed to be a representation and warranty by Borrowers on the date of such Credit Extension as to the accuracy of the facts referred to in this Section 3.2.

3.23 Post Closing Condition. Borrowers shall deliver to Bank a landlord consent in form and substance satisfactory to Bank with respect to 245 First Street, 3rd Floor, Cambridge, MA 02142, executed by the respective landlord thereof, within ninety (90) days after the Closing Date.

4. CREATION OF SECURITY INTEREST.

4.1 Grant of Security Interest. Each Borrower grants and pledges to Bank a continuing security interest in the Collateral to secure prompt repayment of any and all Obligations and to secure prompt performance by such Borrower of each of its covenants and duties under the Loan Documents. Except for Permitted Liens or as disclosed in the Schedule, such security interest constitutes a valid, first priority security interest in the presently existing Collateral, and will constitute a valid, first priority security interest in later-acquired Collateral. Each Borrower also hereby agrees not to sell, transfer, assign, mortgage, pledge, lease, grant a security interest in, or encumber any of its Intellectual Property. Notwithstanding any termination of this Agreement or of any filings undertaken related to Bank's rights under the Code, Bank's Lien on the Collateral shall remain in effect for so long as any Obligations are outstanding.

4.2 Perfection of Security Interest. Each Borrower authorizes Bank to file at any time financing statements, continuation statements, and amendments thereto that (i) either specifically describe the Collateral or describe the Collateral as all assets of such Borrower of the kind pledged hereunder, and (ii) contain any other information required by the Code for the sufficiency of filing office acceptance of any financing statement, continuation statement, or amendment, including whether such Borrower is an organization, the type of organization and any organizational identification number issued to such Borrower, if applicable. Each Borrower shall have possession of the Collateral, except where expressly otherwise provided in this Agreement or where Bank chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Collateral is in possession of a third party bailee, each Borrower shall take such steps as Bank reasonably requests for Bank to (i) subject to Section 7.11 below, obtain an acknowledgment, in form and substance reasonably satisfactory to Bank, of the bailee that the bailee holds such Collateral for the benefit of Bank, and (ii) obtain "control" of any Collateral consisting of investment property, deposit accounts, letter-of- credit rights or electronic chattel paper (as such items and the term "control" are defined in Revised Article 9 of the Code) by causing the securities intermediary or depositary institution or issuing bank to execute a control agreement in form and substance reasonably satisfactory to Bank. Each Borrower will not create any chattel paper without placing a legend on the chattel paper acceptable to Bank indicating that Bank has a security interest in the chattel paper. Each Borrower from time to time may deposit with Bank specific cash collateral to secure specific Obligations; each Borrower authorizes Bank to hold such specific balances in pledge and to decline to honor any drafts thereon or any request by a Borrower or any other Person to pay or otherwise transfer any part of such balances for so long as the specific Obligations are outstanding. Each Borrower shall take such other actions as Bank requests to perfect its security interests granted under this Agreement.

4.3 Pledge of Collateral. Each Borrower hereby pledges, assigns and grants to Bank a security interest in all the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing, as security for the performance of the Obligations. Promptly upon Bank's request, the certificate or certificates for the Shares will be delivered to Bank, accompanied by an instrument of assignment duly governing the Shares. Each Borrower shall cause the books of each entity whose Shares are part of the Collateral and any transfer agent to reflect the pledge of the Shares. Upon the occurrence and during the continuance of an Event of Default hereunder, Bank may effect the transfer of any securities included in the Collateral (including but not limited to the Shares) into the name of Bank and cause new certificates representing such securities to be issued in the name of Bank or its transferee. Unless an Event of Default shall have occurred and be continuing, each Borrower shall be entitled to exercise any voting rights with respect to the Shares and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights to vote and give consents, waivers and ratifications shall terminate upon the occurrence and during the continuance of an Event of Default.

5. REPRESENTATIONS AND WARRANTIES.

Borrowers represent and warrant as follows:

5.1 Due Organization and Qualification. Borrowers and each Subsidiary is duly existing under the laws of the state in which it is organized and qualified and licensed to do business in any state in which the conduct of its business or its ownership of property requires that it be so qualified, except where the failure to do so would not reasonably be expected to cause a Material Adverse Effect.

5.2 Due Authorization; No Conflict. The execution, delivery, and performance of the Loan Documents are within each Borrower's powers, have been duly authorized, and are not in conflict with nor constitute a breach of any provision contained in each Borrower's Certificate of Incorporation or Bylaws, nor will they constitute an event of default under any material agreement by which a Borrower is bound. No Borrower is in default under any agreement by which it is bound, except to the extent such default would not reasonably be expected to cause a Material Adverse Effect.

5.3 Collateral. Each Borrower has rights in or the power to transfer the Collateral, and its title to the Collateral is free and clear of Liens, adverse claims, and restrictions on transfer or pledge except for Permitted Liens. Other than movable items of personal property such as laptop computers, all Collateral having an aggregate book value in excess of $200,000, is located solely in the Collateral States. All Inventory is in all material respects of good and merchantable quality, free from all material defects, except for Inventory for which adequate reserves have been made. Except as set forth in the Schedule, none of the Borrowers' Cash is maintained or invested with a Person other than Bank or Bank's affiliates.

5.4 Intellectual Property. Each Borrower is the sole owner of the Intellectual Property created or purchased by such Borrower, except for licenses granted by a Borrower to its customers in the ordinary course of business. To the best of each Borrower's knowledge, each of the Copyrights, Trademarks and Patents created or purchased by Borrowers is valid and enforceable, and no part of the Intellectual Property created or purchased by Borrowers has been judged invalid or unenforceable, in whole or in part, and no claim has been made to Borrowers that any part of the Intellectual Property created or purchased by Borrowers violates the rights of any third party except to the extent such claim would not reasonably be expected to cause a Material Adverse Effect.

5.5 Name; Location of Chief Executive Office. Except as disclosed in the Schedule, no Borrower has done business under any name other than that specified on the signature page hereof, and its exact legal name is as set forth in the first paragraph of this Agreement. The chief executive office of each Borrower is located at the address indicated in Section 10 hereof.

5.6 Litigation. Except as set forth in the Schedule, there are no actions or proceedings pending by or against a Borrower or any Subsidiary before any court or administrative agency in which a likely adverse decision would reasonably be expected to have a Material Adverse Effect.

5.7 No Material Adverse Change in Financial Statements. All consolidated and consolidating financial statements related to Borrowers and any Subsidiary that are delivered by Borrowers to Bank fairly present in all material respects each Borrower's consolidated and consolidating financial condition as of the date thereof and each Borrower's consolidated and consolidating results of operations for the period then ended. There has not been a material adverse change in the consolidated or in the consolidating financial condition of Borrowers since the date of the most recent of such financial statements submitted to Bank.

5.8 Solvency, Payment of Debts. Each Borrower is able to pay its debts (including trade debts) as they mature; the fair saleable value of each Borrower's assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; and no Borrower is left with unreasonably small capital after the transactions contemplated by this Agreement.

5.9 Compliance with Laws and Regulations. Borrowers and each Subsidiary have met the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. No event has occurred resulting from a Borrower's failure to comply with ERISA that is reasonably likely to result in a Borrower's incurring any liability that could have a Material Adverse Effect. No Borrower is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940. No Borrower is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T and U of the Board of Governors of the Federal Reserve System). No Borrower has violated any statutes, laws, ordinances or rules applicable to it, the violation of which would reasonably be expected to have a Material Adverse Effect. Borrowers and each Subsidiary have filed or caused to be filed all tax returns required to be filed, and have paid, or have made adequate provision for the payment of, all taxes reflected therein except those being contested in good faith with adequate reserves under GAAP or where the failure to file such returns or pay such taxes would not reasonably be expected to have a Material Adverse Effect.

5.10 Subsidiaries. No Borrower owns any stock, partnership interest or other equity securities of any Person, except for Permitted Investments.

5.11 Government Consents. Borrowers and each Subsidiary have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary for the continued operation of each Borrower's business as currently conducted, except where the failure to do so would not reasonably be expected to cause a Material Adverse Effect.

5.12 Inbound Licenses. Except as disclosed on the Schedule, no Borrower is a party to, nor is bound by, any material license or other agreement material to the conduct of a Borrower's business that prohibits or otherwise restricts a Borrower from granting a security interest in such Borrower's interest in such license or agreement or any other property important for the conduct of such Borrower's business, other than this Agreement or the other Loan Documents.

5.13 Shares. Each Borrower has full power and authority to create a first lien on its respective Shares and no disability or contractual obligations exists that would prohibit such Borrower from pledging its Shares pursuant to this Agreement. To Borrowers' knowledge, there are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. The Shares have been and will remain duly authorized and validly issued, and are fully paid and non-assessable. To Borrowers' knowledge, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Borrowers know of no reasonable grounds for the institution of any such proceedings.

5.14 Full Disclosure. No representation, warranty or other statement made by a Borrower in any certificate or written statement furnished to Bank taken together with all such certificates and written statements furnished to Bank contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained in such certificates or statements not misleading in light of the circumstances in which they were made, it being recognized by Bank that the projections and forecasts provided by Borrowers in good faith and based upon reasonable assumptions are not to be viewed as facts and that actual results during the period or periods covered by any such projections and forecasts may differ from the projected or forecasted results.

6. AFFIRMATIVE COVENANTS.

Each Borrower shall do all of the following:

6.1 Good Standing and Government Compliance. Borrowers shall maintain its and each of its Subsidiaries' corporate existence and good standing in the respective states of formation, shall maintain qualification and good standing in each other jurisdiction in which the failure to so qualify would reasonably be expected to have a Material Adverse Effect, and shall furnish to Bank the organizational identification number issued to each Borrower by the authorities of the state in which each Borrower is organized, if applicable. Borrowers shall meet, and shall cause each Subsidiary to meet, the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. Borrowers shall comply, and shall cause each Subsidiary to comply, with all statutes, laws, ordinances and government rules and regulations to which it is subject, and shall maintain, and shall cause each of its Subsidiaries to maintain, in force all licenses, approvals and agreements, the loss of which or failure to comply with which would reasonably be expected to have a Material Adverse Effect.

6.2 Financial Statements, Reports, Certificates.

(a) Borrowers shall deliver to Bank: (i) as soon as available, but in any event within 30 days after the end of each calendar month, a company prepared consolidated and consolidating balance sheet, income statement, and statement of cash flows covering Borrowers' operations during such period, in a form reasonably acceptable to Bank and certified by a Responsible Officer; (ii) as soon as available, but in any event within 180 days after the end of Borrowers' fiscal year, audited (or such other level as is required by the Investment Agreement) consolidated and consolidating financial statements of Borrowers prepared in accordance with GAAP, consistently applied, together with an opinion which is either unqualified, qualified only for going concern related solely to Borrowers' liquidity position or otherwise consented to in writing by Bank on such financial statements of an independent certified public accounting firm reasonably acceptable to Bank; provided, however that for the 2017 fiscal year such audited financial statements shall not require an opinion until March 31, 2019; (iii) annual budget approved by each Borrower's Board of Directors as soon as available but not later than 45 days after the end of each Borrower's fiscal year; (iv) if applicable, copies of all statements, reports and notices sent or made available generally by a Borrower to its security holders or to any holders of Subordinated Debt and all reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission; (v) promptly upon receipt of notice thereof, a report of any legal actions pending or threatened against a Borrower or any Subsidiary that could reasonably be expected to result in damages or costs to a Borrower or any Subsidiary of $250,000 or more; (vi) promptly upon receipt, each management letter prepared by a Borrower's independent certified public accounting firm regarding such Borrower's management control systems; (vii) periodic informal clinical updates on any material developments therein as Borrowers may determine appropriate or at the reasonable request of Bank and (viii) such budgets, sales projections, operating plans or other financial information as Bank may reasonably request from time to time;

(b) Within 30 days after the last day of each month, Borrowers shall deliver to Bank with the monthly financial statements a Compliance Certificate certified as of the last day of the applicable month and signed by a Responsible Officer in substantially the form of Exhibit D hereto.

(c) As soon as possible and in any event within 3 Business Days after becoming aware of the occurrence or existence of an Event of Default hereunder, a written statement of a Responsible Officer setting forth details of the Event of Default, and the action which Borrowers have taken or proposes to take with respect thereto.

(d) Bank (through any of its officers, employees, or agents) shall have the right, upon reasonable prior notice, from time to time during Borrowers' usual business hours but no more than once a year (unless an Event of Default has occurred and is continuing), to inspect Borrowers' Books and to make copies thereof and to check, test, inspect, audit and appraise the Collateral at Borrowers' expense in order to verify Borrowers' financial condition or the amount, condition of, or any other matter relating to, the Collateral.

Borrowers may deliver to Bank on an electronic basis any certificates, reports or information required pursuant to this Section 6.2, and Bank shall be entitled to rely on the information contained in the electronic files, provided that Bank in good faith believes that the files were delivered by a Responsible Officer. Borrowers shall include a submission date on any certificates and reports to be delivered electronically.

6.3 Inventory and Equipment; Returns. Borrowers shall keep all Inventory and Equipment in good and merchantable condition, free from all material defects except for Inventory and Equipment (i) sold in the ordinary course of business, and (ii) for which adequate reserves have been made, in all cases in the United States and such other locations as to which Borrowers give prior written notice. Returns and allowances, if any, as between each Borrower and its account debtors shall be on the same basis and in accordance with the usual customary practices of Borrowers, as they exist on the Closing Date. Borrowers shall promptly notify Bank of all returns and recoveries and of all disputes and claims involving inventory having a book value of more than $100,000.

6.4 Taxes. Borrowers shall make, and cause each Subsidiary to make, due and timely payment or deposit of all material federal, state, and local taxes, assessments, or contributions required of it by law, including, but not limited to, those laws concerning income taxes, F.I.C.A., F.U.T.A. and state disability, and will execute and deliver to Bank, upon 3 Business Days of written demand, proof reasonably satisfactory to Bank indicating that Borrowers or a Subsidiary has made such payments or deposits and any appropriate certificates attesting to the payment or deposit thereof; provided that Borrowers or a Subsidiary need not make any payment if the amount or validity of such payment is contested in good faith by appropriate proceedings and is reserved against (to the extent required by GAAP) by Borrowers or such Subsidiary.

6.5 Insurance. Each Borrower, at its expense, shall (i) keep the Collateral insured against loss or damage, and (ii) maintain liability and other insurance, in each case as ordinarily insured against by other owners in businesses similar to such Borrower's. All such policies of insurance shall be in such form, with such companies, and in such amounts as reasonably satisfactory to Bank. All policies of property insurance shall contain a lender's loss payable endorsement, in a form reasonably satisfactory to Bank, showing Bank as lender's loss payee. All liability insurance policies shall show, or have endorsements showing, Bank as an additional insured. Any such insurance policies shall specify that the insurer must give at least 20 days notice to Bank before canceling its policy for any reason. Within 30 days of the Closing Date, Borrower shall cause to be furnished to Bank a copy of its policies including any endorsements covering Bank or showing Bank as an additional insured. Upon Bank's request, Borrowers shall deliver to Bank certified copies of the policies of insurance and evidence of all premium payments. Proceeds payable under any casualty policy will, at Borrowers ' option, be payable to Borrowers to replace the property subject to the claim, provided that any such replacement property shall be deemed Collateral in which Bank has been granted a first priority security interest, provided that if an Event of Default has occurred and is continuing, all proceeds payable under any such policy shall, at Bank's option, be payable to Bank to be applied on account of the Obligations.

6.6 Primary Depository. Subject to the provisions of Section 3.1(m) and 3.2(b), each Borrower within 60 days (or such later time as the Bank may agree in writing) of the Closing Date shall maintain all its depository and operating accounts with Bank and all its investment accounts with Bank or Bank's affiliates; provided that prior to maintaining any investment accounts with Bank's affiliates, the applicable Borrower, Bank, and any such affiliate shall have entered into a securities account control agreement with respect to any such investment accounts, in form and substance reasonably satisfactory to Bank. Notwithstanding the above, Borrower shall be permitted to maintain aggregate amounts not to exceed: (i) within 30 days of the Closing Date, $4,000,000, (ii) within 60 days of the Closing Date, $2,000,000 and (ii) within 90 days of the Closing Date, $1,000,000, in each case, in one or more accounts outside of Bank.

6.7 Financial Covenants. None.

6.8 Consent of Inbound Licensors. Prior to entering into or becoming bound by any material inbound license or agreement, each Borrower shall: (i) provide written notice to Bank of the material terms of such license or agreement with a description of its likely impact on Borrower's business or financial condition; and (ii) in good faith use commercially reasonable efforts to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for Borrower's interest in such licenses or contract rights to be deemed Collateral and for Bank to have a security interest in it that might otherwise be restricted by the terms of the applicable license or agreement, whether now existing or entered into in the future, provided, however, that the failure to obtain any such consent or waiver shall not constitute a default under this Agreement.

6.9 Creation/Acquisition of Subsidiaries. In the event any Borrower or any Subsidiary of any Borrower creates or acquires any Subsidiary, Borrower or such Subsidiary shall promptly notify Bank of such creation or acquisition, and Borrower or such Subsidiary shall take all actions reasonably requested by Bank to achieve any of the following with respect to such "***New Subsidiary***" (defined as a Subsidiary formed after the date hereof during the term of this Agreement): (i) to cause New Subsidiary to become either a co-Borrower hereunder, if such New Subsidiary is organized under the laws of the United States, or a secured guarantor with respect to the Obligations; and (ii) to grant and pledge to Bank a perfected security interest in 100% of the stock, units or other evidence of ownership held by a Borrower or its Subsidiaries of any such New Subsidiary which is organized under the laws of the United States, and 65% of the stock, units or other evidence of ownership held by a Borrower or its Subsidiaries of any such New Subsidiary which is not organized under the laws of the United States.

6.10 Further Assurances. At any time and from time to time Borrowers shall execute and deliver such further instruments and take such further action as may reasonably be requested by Bank to effect the purposes of this Agreement.

7. NEGATIVE COVENANTS.

Each Borrower shall not do any of the following:

7.1 Dispositions. Convey, sell, lease, license, transfer or otherwise dispose of (collectively, to "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, or move cash balances on deposit with Bank to accounts opened at another financial institution, other than Permitted Transfers.

7.2 Change in Name, Location, Executive Office, or Executive Management; Change in Business; Change in Fiscal Year; Change in Control. Change its name or the state of a Borrower's formation or relocate its chief executive office without 30 days prior written notification to Bank; replace or suffer the departure of its chief executive officer or chief financial officer without delivering written notification to Bank within 10 days; fail to appoint an interim replacement or fill a vacancy in the position of chief executive officer or chief financial officer for more than 30 consecutive days; suffer a change on its board of directors which results in the failure of at least one representative of each of Orbimed and F-Prime to serve as a voting member, in such case without the prior written consent of Bank which may be withheld in Bank's sole discretion; take action to liquidate, wind up, or otherwise cease to conduct business in the ordinary course; engage in any business, or permit any of its Subsidiaries to engage in any business, other than or reasonably related or incidental to the businesses currently engaged in by Borrower; change its fiscal year end; have a Change in Control.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with or into any other business organization (other than mergers or consolidations of a Subsidiary into another Subsidiary or into Borrower), or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person except where (a) each of the following conditions is applicable: (i) the consideration paid in connection with such transactions (including assumption of liabilities) does not in the aggregate exceed $250,000 during any fiscal year, (ii) no Event of Default has occurred, is continuing or would exist after giving effect to such transactions, (iii) such transactions do not result in a Change in Control, and (iv) a Borrower is the surviving entity; or (b) the Obligations are repaid in full concurrently with the closing of any merger or consolidation of a Borrower in which a Borrower is not the surviving entity; provided, however, that each Borrower shall not, without Bank's prior written consent, enter into any binding contractual arrangement with any Person to attempt to facilitate a merger or acquisition of such Borrower; provided however, Borrower may enter into any such agreement without Bank's prior written consent so long as (i) no Event of Default exists when such agreement is entered into by Borrower, (ii) such agreement does not give such Person the right to claim any fee, payment or damages from any parties, other than from Borrowers or Borrowers' investors, in connection with a sale of Borrower's stock or assets pursuant to or resulting from an assignment for the benefit of creditors, an asset turnover to Borrower's creditors (including, without limitation, Bank), foreclosure, bankruptcy or similar liquidation, and (iii) Borrowers notify Bank in advance of entering into such an agreement (provided, the failure to give such notification shall not be deemed a material breach of this Agreement).

7.4 Indebtedness. Create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on a Borrower an obligation to prepay any Indebtedness, except Indebtedness to Bank.

7.5 Encumbrances. Create, incur, assume or allow any Lien with respect to its property, or assign or otherwise convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries so to do, except for Permitted Liens, or covenant to any other Person (other than (i) the licensors of in-licensed property with respect to such property or (ii) the lessors of specific equipment or lenders financing specific equipment with respect to such leased or financed equipment) that a Borrower in the future will refrain from creating, incurring, assuming or allowing any Lien with respect to any of such Borrower's property.

7.6 Distributions. Pay any dividends or make any other distribution or payment on account of or in redemption, retirement or purchase of any capital stock, except that Borrowers may (i) repurchase the stock of former employees or directors pursuant to stock repurchase agreements in an aggregate amount not to exceed $250,000 in any fiscal year, as long as an Event of Default does not exist prior to such repurchase or would not exist after giving effect to such repurchase, and (ii) repurchase the stock of former employees or directors pursuant to stock repurchase agreements by the cancellation of indebtedness owed by such former employees or directors to a Borrower regardless of whether an Event of Default exists.

7.7 Investments. Directly or indirectly acquire or own an Investment in, or make any Investment in or to any Person, or permit any of its Subsidiaries so to do, other than Permitted Investments, or maintain or invest any of its investment property with a Person other than Bank or permit any Subsidiary to do so unless such Person has entered into a control agreement with Bank, in form and substance satisfactory to Bank, or suffer or permit any Subsidiary to be a party to, or be bound by, an agreement that restricts such Subsidiary from paying dividends or otherwise distributing property to Borrower.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of a Borrower except for (i) transactions that are in the ordinary course of such Borrower's business, upon fair and reasonable terms that are no less favorable to such Borrower than would be obtained in an arm's length transaction with a non-affiliated Person, and (ii) the sale of a Borrower's equity securities in bona fide transactions with such Borrower's existing investors that do not result in a Change in Control.

7.9 Subordinated Debt. Make any payment in respect of any Subordinated Debt, or permit any of its Subsidiaries to make any such payment, except in compliance with the terms of such Subordinated Debt, or amend any provision affecting Bank's rights contained in any documentation relating to the Subordinated Debt without Bank's prior written consent.

7.10 Inventory and Equipment. Store the Inventory or the Equipment of a book value in excess of $100,000 with a bailee, warehouseman, collocation facility or similar third party unless the third party has been notified of Bank's security interest and Bank (a) has received an acknowledgment from the third party that it is holding or will hold the Inventory or Equipment for Bank's benefit or (b) is in possession of the warehouse receipt, where negotiable, covering such Inventory or Equipment. Except for Inventory sold in the ordinary course of business and for movable items of personal property having an aggregate book value not in excess of $100,000, and except for such other locations as Bank may approve in writing, Borrowers shall keep the Inventory and Equipment only at the location set forth in Section 10 and such other locations of which Borrowers give Bank prior written notice and as to which Bank is able to take such actions as may be necessary needed to perfect its security interest or to obtain a bailee's acknowledgment of Bank's rights in the Collateral.

7.11 No Investment Company; Margin Regulation. Become or be controlled by an "investment company," within the meaning of the Investment Company Act of 1940, or become principally engaged in, or undertake as one of its important activities, the business of extending credit for the purpose of purchasing or carrying margin stock, or use the proceeds of any Credit Extension for such purpose.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an Event of Default by Borrowers under this Agreement:

8.1 Payment Default. If a Borrower fails to (i) make any payment of principal or interest on any Credit Extension when due, or (ii) pay any other Obligations within three (3) Business Days after such Obligation is due and payable (which three (3) Business Day cure period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1(a) hereof). For the avoidance of doubt, during such three (3) Business Day cure period, the failure to cure a payment default under clause (ii), above, shall not be deemed an Event of Default (but no Credit Extension will be made during such cure period);

8.2 Covenant Default.

(a) If a Borrower fails to perform any obligation under Article 6, or violates any of the covenants contained in Article 7 of this Agreement; or

(b) If a Borrowers fails or neglects to perform or observe any other material term, provision, condition, covenant contained in this Agreement, in any of the Loan Documents, or in any other present or future agreement between a Borrower and Bank and as to any default under such other term, provision, condition or covenant that can be cured, has failed to cure such default within 15 days after Borrowers receive notice thereof or any officer of a Borrower becomes aware thereof; provided, however, that if the default cannot by its nature be cured within the 15 day period or cannot after diligent attempts by Borrowers be cured within such 15 day period, and such default is likely to be cured within a reasonable time, then Borrowers shall have an additional reasonable period (which shall not in any case exceed 30 days) to attempt to cure such default, and within such reasonable time period the failure to have cured such default shall not be deemed an Event of Default but no Credit Extensions will be made;

8.3 Material Adverse Change. If there occurs any circumstance or any circumstances which would reasonably be expected to have a Material Adverse Effect;

8.4 Attachment. If any material portion of a Borrower's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within 10 days, or if a Borrower is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs, or if a judgment or other claim becomes a lien or encumbrance upon any material portion of a Borrower's assets, or if a notice of lien, levy, or assessment is filed of record with respect to any material portion of a Borrower's assets by the United States Government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within ten days after a Borrower receives notice thereof, provided that none of the foregoing shall constitute an Event of Default where such action or event is stayed or an adequate bond has been posted pending a good faith contest by such Borrower (provided that no Credit Extensions will be made during such cure period);

8.5 Insolvency. If a Borrower becomes insolvent, or if an Insolvency Proceeding is commenced by a Borrower, or if an Insolvency Proceeding is commenced against a Borrower and is not dismissed or stayed within 30 days (provided that no Credit Extensions will be made prior to the dismissal of such Insolvency Proceeding);

8.6 Other Agreements. If (a) there is a default or other failure to perform in any agreement to which a Borrower is a party with a third party or parties (i) resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of $250,000, (ii) in connection with any lease of real property for the headquarters of Borrower or where Borrowers maintain property with a book value in excess of $1,000,000, or (iii) that would reasonably be expected to have a Material Adverse Effect, or (b) any default or event of default (however designated) shall occur with respect to any Subordinated Debt which is not cured within any applicable cure period;

8.7 Judgments. If a final, uninsured judgment or judgments for the payment of money in an amount, individually or in the aggregate, of at least $250,000 shall be rendered against a Borrower and shall remain unsatisfied and unstayed for a period of 10 days (provided that no Credit Extensions will be made prior to the satisfaction or stay of the judgment); or

8.8 Misrepresentations. If any material misrepresentation or material misstatement exists now or hereafter in any warranty or representation set forth herein or in any certificate delivered to Bank by any Responsible Officer pursuant to this Agreement or to induce Bank to enter into this Agreement or any other Loan Document.

9. BANK'S RIGHTS AND REMEDIES.

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Borrowers:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable (provided that upon the occurrence of an Event of Default described in Section 8.5 (insolvency), all Obligations shall become immediately due and payable without any action by Bank);

(b) Demand that Borrowers (i) deposit cash with Bank in an amount equal to the amount of any Letters of Credit remaining undrawn, as collateral security for the repayment of any future drawings under such Letters of Credit, and (ii) pay in advance all Letter of Credit fees scheduled to be paid or payable over the remaining term of the Letters of Credit, and Borrower shall promptly deposit and pay such amounts;

(c) Cease advancing money or extending credit to or for the benefit of Borrower under this Agreement or under any other agreement between Borrowers and Bank;

(d) Settle or adjust disputes and claims directly with account debtors for amounts, upon terms and in whatever order that Bank reasonably considers advisable;

(e) Make such payments and do such acts as Bank considers necessary or reasonable to protect its security interest in the Collateral. Borrowers agree to assemble the Collateral if Bank so requires, and to make the Collateral available to Bank as Bank may designate. Borrowers authorize Bank to enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien which in Bank's determination appears to be prior or superior to its security interest and to pay all expenses incurred in connection therewith. With respect to any of Borrowers' owned premises, Borrowers hereby grant Bank a license to enter into possession of such premises and to occupy the same, without charge, in order to exercise any of Bank's rights or remedies provided herein, at law, in equity, or otherwise;

(f) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any control agreement or similar agreements providing control of any Collateral;

(g) Set off and apply to the Obligations any and all (i) balances and deposits of Borrowers held by Bank, and (ii) indebtedness at any time owing to or for the credit or the account of Borrowers held by Bank;

(h) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Collateral. Bank is hereby granted a license or other right, solely pursuant to the provisions of this Section 9.1, to use, without charge, Borrowers' labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements shall inure to Bank's benefit;

(i) Sell the Collateral at either a public or private sale, or both, by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Borrowers' premises) as Bank determines is commercially reasonable, and apply any proceeds to the Obligations in whatever manner or order Bank deems appropriate. Bank may sell the Collateral without giving any warranties as to the Collateral. Bank may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. If Bank sells any of the Collateral upon credit, Borrowers will be credited only with payments actually made by the purchaser, received by Bank, and applied to the indebtedness of the purchaser. If the purchaser fails to pay for the Collateral, Bank may resell the Collateral and Borrowers shall be credited with the proceeds of the sale;

(j) Bank may credit bid and purchase at any public sale;

(k) Apply for the appointment of a receiver, trustee, liquidator or conservator of the Collateral, without notice and without regard to the adequacy of the security for the Obligations and without regard to the solvency of Borrowers, any guarantor or any other Person liable for any of the Obligations; and

(l) Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by Borrowers.

Bank may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

9.2 Power of Attorney. Effective only upon the occurrence and during the continuance of an Event of Default, each Borrower hereby irrevocably appoints Bank (and any of Bank's designated officers, or employees) as Borrowers' true and lawful attorney to: (a) send requests for verification of Accounts or notify account debtors of Bank's security interest in the Accounts; (b) endorse Borrowers' name on any checks or other forms of payment or security that may come into Bank's possession; (c) sign Borrowers' name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts, verifications of Accounts, and notices to account debtors; (d) dispose of any Collateral; (e) make, settle, and adjust all claims under and decisions with respect to Borrowers' policies of insurance; (f) settle and adjust disputes and claims respecting the accounts directly with account debtors, for amounts and upon terms which Bank determines to be reasonable; and (g) file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral; provided Bank may exercise such power of attorney to sign the name of Borrower on any of the documents described in clauses (g) and (h) above, regardless of whether an Event of Default has occurred. The appointment of Bank as Borrowers' attorney in fact, and each and every one of Bank's rights and powers, being coupled with an interest, is irrevocable until all of the Obligations have been fully repaid and performed and Bank's obligation to provide advances hereunder is terminated.

9.3 Accounts Collection. At any time after the occurrence and during the continuation of an Event of Default, Bank may notify any Person owing funds to Borrowers of Bank's security interest in such funds and verify the amount of such Account. Borrowers shall collect all amounts owing to Borrowers for Bank, receive in trust all payments as Bank's trustee, and immediately deliver such payments to Bank in their original form as received from the account debtor, with proper endorsements for deposit.

9.4 Bank Expenses. If Borrowers fail to pay any amounts or furnish any required proof of payment due to third persons or entities, as required under the terms of this Agreement, then Bank may do any or all of the following after reasonable notice to Borrowers: (a) make payment of the same or any part thereof; and/or (b) obtain and maintain insurance policies of the type discussed in Section 6.5 of this Agreement, and take any action with respect to such policies as Bank deems prudent. Any amounts so paid or deposited by Bank shall constitute Bank Expenses, shall be immediately due and payable, and shall bear interest at the then applicable rate hereinabove provided, and shall be secured by the Collateral. Any payments made by Bank shall not constitute an agreement by Bank to make similar payments in the future or a waiver by Bank of any Event of Default under this Agreement.

9.5 Bank's Liability for Collateral. Bank has no obligation to clean up or otherwise prepare the Collateral for sale. All risk of loss, damage or destruction of the Collateral shall be borne by Borrowers.

9.6 No Obligation to Pursue Others. Bank has no obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them and Bank may release, modify or waive any collateral provided by any other Person to secure any of the Obligations, all without affecting Bank's rights against Borrowers. Borrowers waive any right it may have to require Bank to pursue any other Person for any of the Obligations.

9.7 Remedies Cumulative. Bank's rights and remedies under this Agreement, the Loan Documents, and all other agreements shall be cumulative. Bank shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Bank of one right or remedy shall be deemed an election, and no waiver by Bank of any Event of Default on Borrowers' part shall be deemed a continuing waiver. No delay by Bank shall constitute a waiver, election, or acquiescence by it. No waiver by Bank shall be effective unless made in a written document signed on behalf of Bank and then shall be effective only in the specific instance and for the specific purpose for which it was given. Borrowers expressly agree that this Section 9.7 may not be waived or modified by Bank by course of performance, conduct, estoppel or otherwise.

9.8 Demand; Protest. Except as otherwise provided in this Agreement, Borrowers waive demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment and any other notices relating to the Obligations.

10. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other agreement entered into in connection herewith shall be in writing and (except for financial statements and other reporting required pursuant to Section 6.2 of this Agreement, which shall be sent as directed in the monthly reporting forms provided by Bank) shall be personally delivered or sent by a recognized overnight delivery service, certified mail, postage prepaid, return receipt requested, or by telefacsimile or electronic mail to Borrower or to Bank, as the case may be, at its addresses set forth below:

If to Borrower: COMPASS THERAPEUTICS LLC, on behalf of Borrowers
245 First St., 3rd Floor
Cambridge, MA 02142

Attn: General Counsel
FAX: N/A

E-Mail: [**]

If to Bank: Pacific Western Bank
406 Blackwell Street, Suite 240
Durham, North Carolina 27701
Attn: Loan Operations Manager
FAX: [**]

E-Mail: [**]

with a copy to: Pacific Western Bank
131 Oliver Street, Suite 250
Boston, MA 02110
Attn: [**]
Email: [**]

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

11. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of North Carolina, without regard to principles of conflicts of law. Jurisdiction shall lie in the State of North Carolina. All disputes, controversies, claims, actions and similar proceedings arising with respect to Borrower's account or any related agreement or transaction shall be brought in the General Court of Justice of North Carolina sitting in Durham County, North Carolina or the United States District Court for the Middle District of North Carolina, except as provided below with respect to arbitration of such matters. BANK AND BORROWERS EACH ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH OF THEM, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT, WITH COUNSEL OF THEIR CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY RELATED INSTRUMENT OR LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTION OF ANY OF THEM. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY BANK OR BORROWER, EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY EACH OF THEM. If the jury waiver set forth in this Section 11 is not enforceable, then any dispute, controversy, claim, action or similar proceeding arising out of or relating to this Agreement, the Loan Documents or any of the transactions contemplated therein shall be settled by final and binding arbitration held in Durham County, North Carolina in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association by one arbitrator appointed in accordance with those rules. The arbitrator shall apply North Carolina law to the resolution of any dispute, without reference to rules of conflicts of law or rules of statutory arbitration. Judgment upon any award resulting from arbitration may be entered into and enforced by any state or federal court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this Section. The costs and expenses of the arbitration, including without limitation, the arbitrator's fees and expert witness fees, and reasonable attorneys' fees, incurred by the parties to the arbitration may be awarded to the prevailing party, in the discretion of the arbitrator, or may be apportioned between the parties in any manner deemed appropriate by the arbitrator. Unless and until the arbitrator decides that one party is to pay for all (or a share) of such costs and expenses, both parties shall share equally in the payment of the arbitrator's fees as and when billed by the arbitrator.

12. GENERAL PROVISIONS.

12.1 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties and shall bind all persons who become bound as a debtor to this Agreement; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Borrowers without Bank's prior written consent, which consent may be granted or withheld in Bank's sole but reasonable discretion. Bank shall have the right without the consent of or notice to Borrowers to sell, assign, transfer, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights and benefits hereunder; provided that Bank shall use commercially reasonable efforts to provide notice to Borrowers of any such event. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Bank shall not assign its interest herein or the Loan Documents to any Person who is (i) a direct competitor of Borrower, whether as an operating company or direct or indirect parent with voting control over such operating company, or (ii) a vulture or distressed debt fund, without Borrowers' prior written consent.

12.2 Indemnification. Borrowers shall defend, indemnify and hold harmless Bank and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement; and (b) all losses or Bank Expenses in any way suffered, incurred, or paid by Bank, its officers, employees and agents as a result of or in any way arising out of, following, or consequential to transactions between Bank and Borrowers whether under this Agreement, or otherwise (including without limitation reasonable attorneys fees and expenses), except for losses caused by Bank's gross negligence or willful misconduct.

12.3 Time of Essence. Time is of the essence for the performance of all obligations set forth in this Agreement.

12.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

12.5 Amendments in Writing, Integration. All amendments to or terminations of this Agreement or the other Loan Documents must be in writing. All prior agreements, understandings, representations, warranties, and negotiations between the parties hereto with respect to the subject matter of this Agreement and the other Loan Documents, if any, are merged into this Agreement and the Loan Documents.

12.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Executed copies of the signature pages of this Agreement sent by facsimile or transmitted electronically in Portable Document Format ("PDF"), or any similar format, shall be treated as originals, fully binding and with full legal force and effect, and the parties waive any rights they may have to object to such treatment.

12.7 Survival. All covenants, representations and warranties made in this Agreement shall continue in full force and effect so long as any Obligations remain outstanding or Bank has any obligation to make any Credit Extension to Borrowers. The obligations of Borrowers to indemnify Bank with respect to the expenses, damages, losses, costs and liabilities described in Section 12.2 shall survive until all applicable statute of limitations periods with respect to actions that may be brought against Bank have run.

12.8 Confidentiality. In handling any confidential information, Bank and Borrowers and all employees and agents of such party shall exercise the same degree of care that such party exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this Agreement except that disclosure of such information may be made (i) in the case of Bank, to the subsidiaries or Affiliates of Bank or Borrowers in connection with their present or prospective business relations with Borrowers, (ii) in the case of Bank, to prospective transferees or purchasers of any interest in the Credit Extensions, provided that they have entered into a comparable confidentiality agreement in favor of Borrowers and have delivered a copy to Borrowers, (iii) as required by law, regulations, rule or order, subpoena, judicial order or similar order, (iv) in the case of Bank, as may be required in connection with the examination, audit or similar investigation of Bank and (v) as Bank may determine in connection with the enforcement of any remedies hereunder. Confidential information hereunder shall not include information that either: (a) is in the public domain or in the knowledge or possession of the receiving party when disclosed to such party, or becomes part of the public domain after disclosure to such receiving party through no fault of such receiving party; or (b) is disclosed to the receiving party by a third party, provided such receiving party does not have actual knowledge that such third party is prohibited from disclosing such information.

13. CO-BORROWER PROVISIONS.

13.1 Primary Obligation. This Agreement is a primary and original obligation of each Borrower and shall remain in effect notwithstanding future changes in conditions, including any change of law or any invalidity or irregularity in the creation or acquisition of any Obligations or in the execution or delivery of any agreement between Bank and any Borrower. Each Borrower shall be liable for existing and future Obligations as fully as if all of all Credit Extensions were advanced to such Borrower. Bank may rely on any certificate or representation made by any Borrower as made on behalf of, and binding on, all Borrowers, including without limitation Disbursement Request Forms, Borrowing Base Certificates and Compliance Certificates.

13.2 Enforcement of Rights. Borrowers are jointly and severally liable for the Obligations and Bank may proceed against one or more of the Borrowers to enforce the Obligations without waiving its right to proceed against any of the other Borrowers.

13.3 Borrowers as Agents. Each Borrower appoints the other Borrower as its agent with all necessary power and authority to give and receive notices, certificates or demands for and on behalf of both Borrowers, to act as disbursing agent for receipt of any Credit Extensions on behalf of each Borrower and to apply to Bank on behalf of each Borrower for Credit Extensions, any waivers and any consents. This authorization cannot be revoked, and Bank need not inquire as to each Borrower's authority to act for or on behalf of Borrower.

13.4 Subrogation and Similar Rights. Notwithstanding any other provision of this Agreement or any other Loan Document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating the Borrower to the rights of Bank under the Loan Documents) to seek contribution, indemnification, or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by the Borrower with respect to the Obligations in connection with the Loan Documents or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by the Borrower with respect to the Obligations in connection with the Loan Documents or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section 13.4 shall be null and void. If any payment is made to a Borrower in contravention of this Section 13.4, such Borrower shall hold such payment in trust for Bank and such payment shall be promptly delivered to Bank for application to the Obligations, whether matured or unmatured.

13.5 Waivers of Notice. Except as otherwise provided in this Agreement, each Borrower waives notice of acceptance hereof; notice of the existence, creation or acquisition of any of the Obligations; notice of an Event of Default; notice of the amount of the Obligations outstanding at any time; notice of intent to accelerate; notice of acceleration; notice of any adverse change in the financial condition of any other Borrower or of any other fact that might increase the Borrower's risk; presentment for payment; demand; protest and notice thereof as to any instrument; default; and all other notices and demands to which the Borrower would otherwise be entitled. Each Borrower waives any defense arising from any defense of any other Borrower, or by reason of the cessation from any cause whatsoever of the liability of any other Borrower. Bank's failure at any time to require strict performance by any Borrower of any provision of the Loan Documents shall not waive, alter or diminish any right of Bank thereafter to demand strict compliance and performance therewith. Nothing contained herein shall prevent Bank from foreclosing on the Lien of any deed of trust, mortgage or other security instrument, or exercising any rights available thereunder, and the exercise of any such rights shall not constitute a legal or equitable discharge of any Borrower. Each Borrower also waives any defense arising from any act or omission of Bank that changes the scope of the Borrower's risks hereunder.

13.6 Subrogation Defenses. Each Borrower hereby waives any defense based on impairment or destruction of its subrogation or other rights against any other Borrower and waives all benefits which might otherwise be available to it under any statutory or common law suretyship defenses or marshalling rights, now or hereafter in effect.

13.7 Right to Settle, Release.

(a) The liability of Borrowers hereunder shall not be diminished by (i) any agreement, understanding or representation that any of the Obligations is or was to be guaranteed by another Person or secured by other property, or (ii) any release or unenforceability, whether partial or total, of rights, if any, which Bank may now or hereafter have against any other Person, including another Borrower, or property with respect to any of the Obligations.

(b) Without affecting the liability of any Borrower hereunder, Bank may (i) compromise, settle, renew, extend the time for payment, change the manner or terms of payment, discharge the performance of, decline to enforce, or release all or any of the Obligations with respect to a Borrower, (ii) grant other indulgences to a Borrower in respect of the Obligations, (iii) modify in any manner any documents relating to the Obligations with respect to a Borrower, (iv) release, surrender or exchange any deposits or other property securing the Obligations, whether pledged by a Borrower or any other Person, or (v) compromise, settle, renew, or extend the time for payment, discharge the performance of, decline to enforce, or release all or any obligations of any guarantor, endorser or other Person who is now or may hereafter be liable with respect to any of the Obligations.

13.8 Subordination. All indebtedness of a Borrower now or hereafter arising held by another Borrower is subordinated to the Obligations and the Borrower holding the indebtedness shall take all actions reasonably requested by Bank to effect, to enforce and to give notice of such subordination.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

COMPASS THERAPEUTICS LLC

By: /s/ Thomas Schuetz

Name: Thomas Schuetz

Title: Chief Executive Officer

COMPASS THERAPEUTICS ADVISORS, INC.
PACIFIC WESTERN BANK

By: /s/ Jeb Ledell

Name: Jeb Ledell

Title: President

PACIFIC WESTERN BANK

By: /s/ Scott Hansen

Name: Scott Hansen

Title: Senior Vice President

[***Signature Page to Loan and Security Agreement***]

EXHIBIT A

DEFINITIONS

"Accounts" means all presently existing and hereafter arising accounts, contract rights, payment intangibles and all other forms of obligations owing to a Borrower arising out of the sale or lease of goods (including, without limitation, the licensing of software and other technology) or the rendering of services by a Borrower and any and all credit insurance, guaranties, and other security therefore, as well as all merchandise returned to or reclaimed by a Borrower and such Borrowers Books relating to any of the foregoing.

"Affiliate" means, with respect to any Person, any Person that owns or controls directly or indirectly such Person, any Person that controls or is controlled by or is under common control with such Person, and each of such Person's senior executive officers, directors, and general partners.

"Authorized Officer" means someone designated as such in the corporate resolution provided by each Borrower to Bank in which this Agreement and the transactions contemplated hereunder are authorized by each Borrower's board of directors. If a Borrower provides subsequent corporate resolutions to Bank after the Closing Date, the individual(s) designated as "Authorized Officer(s)" in the most recently provided resolution shall be the only "Authorized Officers" for purposes of this Agreement.

"Bank Expenses" means all reasonable and documented costs or expenses (including reasonable and documented attorneys' fees and expenses, whether generated by in-house or by outside counsel) incurred in connection with the preparation, negotiation, administration, and enforcement of the Loan Documents; reasonable and documented Collateral audit fees; and Bank's reasonable attorneys' fees and expenses (whether generated in-house or by outside counsel) incurred in amending, enforcing or defending the Loan Documents (including fees and expenses of appeal), incurred before, during and after an Insolvency Proceeding, whether or not suit is brought.

"Borrower's Books" or Borrowers' Books" means all of each Borrower's books and records including: ledgers; records concerning each Borrower's assets or liabilities, the Collateral, business operations or financial condition; and all computer programs, or tape files, and the equipment, containing such information.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks in the State of North Carolina are authorized or required to close.

"Cash" means unrestricted cash and cash equivalents.

"Change in Control" shall mean a transaction other than a bona fide equity financing or series of financings on terms and from investors reasonably acceptable to Bank in which any "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of Borrower ordinarily entitled to vote in the election of directors, empowering such "person" or "group" to elect a majority of the Board of Directors of a Borrower, who did not have such power before such transaction.

"Closing Date" means the date of this Agreement.

"Code" means the North Carolina Uniform Commercial Code as amended or supplemented from time to time.

"Collateral" means the property described on Exhibit B attached hereto, except to the extent any such property (i) is nonassignable by its terms without the consent of the licensor thereof or another party (but only to the extent such prohibition on transfer is enforceable under applicable law, including, without limitation, Sections §25-9-406 and §25-9-408 of the Code), (ii) the granting of a security interest therein is contrary to applicable law, provided that upon the cessation of any such restriction or prohibition, such property shall automatically become part of the Collateral, (iii) constitutes the capital stock of a controlled foreign corporation (as defined in the IRC), in excess of 65% of the voting power of all classes of capital stock of such controlled foreign corporations entitled to vote, or (iv) property (including any attachments, accessions or replacements) that is subject to a Lien that is permitted pursuant to clause (c) of the definition of Permitted Liens, if the grant of a security interest with respect to such property pursuant to this Agreement would be prohibited by the agreement creating such Permitted Lien or would otherwise constitute a default thereunder, provided, that such property will be deemed "Collateral" hereunder upon the termination and release of such Permitted Lien.

"Collateral State" means the state or states where the Collateral is located, which are Massachusetts and New Hampshire.

"Compliance Certificate" means a compliance certificate, in substantially the form of Exhibit D attached hereto, executed by a Responsible Officer of the Borrowers.

"Contingent Obligation" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

“Copyrights” means any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held.

“Credit Card Line” means a Credit Extension of up to $150,000, to be used exclusively for the provision of Credit Card Services.

“Credit Card Maturity Date” means March 29, 2019.

“Credit Extension” means the Term Loan and any other extension of credit by Bank to or for the benefit of Borrower hereunder.

“Environmental Laws” means all laws, rules, regulations, orders and the like issued by any federal state, local foreign or other governmental or quasi-governmental authority or any agency pertaining to the environment or to any hazardous materials or wastes, toxic substances, flammable, explosive or radioactive materials, asbestos or other similar materials.

“Equipment” means all present and future machinery, equipment, tenant improvements, furniture, fixtures, vehicles, tools, parts and attachments in which Borrower has any interest.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

“Event of Default” has the meaning assigned in Article 8.

“F-Prime” means, collectively, F-Prime Capital Partners HC Cambridge Fund IV LP and F- Prime Capital Partners HC International Fund IV LP.

“GAAP” means generally accepted accounting principles, consistently applied, as in effect from time to time in the United States.

“Indebtedness” means (a) all indebtedness for borrowed money or the deferred purchase price of property or services, including without limitation reimbursement and other obligations with respect to surety bonds and letters of credit, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all capital lease obligations, and (d) all Contingent Obligations, including but not limited to any sublimit contained herein.

“Insolvency Proceeding” means any proceeding commenced by or against any Person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“Intellectual Property” means all of a Borrower’s right, title, and interest in and to Copyrights, Trademarks and Patents.

“Interest Only End Date” means March 30, 2019; provided, however, if (i) Parent achieves Milestone I, the Interest Only End Date shall be extended to September 30, 2019 and (ii) Parent achieves both Milestone I and Milestone II, the Interest Only End Date shall be extended to March 30, 2020.

“Inventory” means all present and future inventory in which a Borrower has any interest.

“Investment” means any beneficial ownership of (including stock, partnership or limited liability company interest or other securities) any Person, or any loan, advance or capital contribution to any Person.

“Investment Agreement” means, collectively, each of Borrower’s stock purchase and other agreement(s) pursuant to which each Borrower most recently issued its preferred stock.

“IRC” means the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

“Lien” means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

“Liquidity Event” means (a) any sale, license, or other disposition of all or substantially all of the assets (including intellectual property) of a Borrower and its Subsidiaries taken as a whole, (b) any reorganization, consolidation, merger or sale of the voting securities of a Borrower or any other transaction where the holders of a Borrower’s securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction, or (c) an initial public offering of a Borrower’s equity securities.

“Loan Documents” means, collectively, this Agreement, any note or notes executed by Borrower, and any other document, instrument or agreement entered into in connection with this Agreement, all as amended or extended from time to time.

“Material Adverse Effect” means a material adverse effect on (i) the operations, business or financial condition of Borrower and its Subsidiaries taken as a whole, (ii) the ability of Borrower to repay the Obligations or otherwise perform its obligations under the Loan Documents, (iii) Borrower’s interest in, or the value, perfection or priority of Bank’s security interest in the Collateral.

“Maturity Date” means March 1, 2022; provided, however, if Parent achieves both Milestone I and Milestone II, the Maturity Date shall be September 1, 2022.

“Milestone I” means receipt by Bank of evidence reasonably satisfactory to Bank of Parent’s first IND filing with the U.S. Food and Drug Administration on or before February 28, 2019.

“Milestone II” means receipt by Bank of evidence reasonably satisfactory to Bank of Parent’s receipt after the Closing Date of at least $62,350,000 of net proceeds from the sale or issuance of its equity securities on or before March 31, 2019 to investors reasonably acceptable to Bank.

"Negotiable Collateral" means all of Borrowers' present and future letters of credit of which it is a beneficiary, drafts, instruments (including promissory notes), securities, documents of title, and chattel paper, and Borrowers' Books relating to any of the foregoing.

"Obligations" means all debt, principal, interest, Bank Expenses and other amounts owed to Bank by Borrowers pursuant to this Agreement or any other agreement, whether absolute or contingent, due or to become due, now existing or hereafter arising, including any interest that accrues after the commencement of an Insolvency Proceeding and including any debt, liability, or obligation owing from Borrowers to others that Bank may have obtained by assignment or otherwise.

"Orbimed" means Orbimed Private Investments V - KA, LP.

"Patents" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"Periodic Payments" means all installments or similar recurring payments that Borrowers may now or hereafter become obligated to pay to Bank pursuant to the terms and provisions of any instrument, or agreement now or hereafter in existence between Borrowers and Bank.

"Permitted Indebtedness" means:

(a) Indebtedness of Borrowers in favor of Bank arising under this Agreement or any other Loan Document;

(b) Indebtedness existing on the Closing Date and disclosed in the Schedule;

(c) Indebtedness not to exceed $1,000,000 in the aggregate at any time secured by a lien described in clause (c) of the defined term "Permitted Liens," provided such Indebtedness does not exceed at the time it is incurred the lesser of the cost or fair market value of the property financed with such Indebtedness;

(d) Subordinated Debt;

(e) Indebtedness to trade creditors incurred in the ordinary course of business;

(f) Extensions, refinancings and renewals of any items of Permitted Indebtedness, provided that the principal amount is not increased or the terms modified to impose more burdensome terms upon the Borrowers or their respective Subsidiaries, as the case may be

(g) Indebtedness that constitutes a Permitted Investment;

(h) Indebtedness owed to any persons (including obligations in respect of letters of credit for the benefit of such person) providing worker's compensation, health, disability or other employee benefits or property, casualty or liability insurance pursuant to reimbursement or indemnification obligations to such person, in each case incurred in the ordinary course of business; and

(i) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business.

"Permitted Investment" means:

(a) Investments existing on the Closing Date disclosed in the Schedule;

(b) (i) Marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof, (ii) commercial paper maturing no more than one year from the date of creation thereof and currently having rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service, (iii) Bank's certificates of deposit maturing no more than one year from the date of investment therein, and (iv) Bank's money market accounts; (v) Investments in regular deposit or checking accounts held with Bank or as otherwise permitted by, and subject to the terms and conditions of, Section 6.6 of this Agreement; and (vi) Investments consistent with any investment policy adopted by the Borrower's board of directors;

(c) Investments accepted in connection with Permitted Transfers;

(d) Investments of Subsidiaries in or to other Subsidiaries or Borrowers and Investments by Borrowers in Subsidiaries not to exceed $250,000 in the aggregate in any fiscal year;

(e) Investments not to exceed $250,000 outstanding in the aggregate at any time consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of a Borrower or its Subsidiaries pursuant to employee stock purchase plan agreements approved by a Borrower's Board of Directors;

(f) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrowers' business;

(g) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business, provided that this subparagraph (g) shall not apply to Investments of Borrowers in any Subsidiary;

(h) Joint ventures or strategic alliances in the ordinary course of Borrowers' business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash Investments by Borrowers do not exceed $250,000 in the aggregate in any fiscal year; and

(i) Investments permitted under Section 7.3.

"Permitted Liens" means the following:

(a) Any Liens existing on the Closing Date and disclosed in the Schedule (excluding Liens to be satisfied with the proceeds of the Credit Extensions) or arising under this Agreement, the other Loan Documents, or any other agreement in favor of Bank;

(b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings and for which Borrowers maintain adequate reserves;

(c) Liens not to exceed $1,000,000 in the aggregate at any time (i) upon or in any Equipment (other than Equipment financed by a Credit Extension) acquired or held by a Borrower or any of its Subsidiaries to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition or lease of such Equipment, or (ii) existing on such Equipment at the time of its acquisition, in each case provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such Equipment;

(d) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clauses (a) through (c) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase;

(e) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Sections 8.4 (attachment) or 8.7 (judgments);

(f) Liens securing Subordinated Debt;

(g) Liens to secure payment of worker's compensation, employment insurance, old age pensions or other social security obligations of Borrowers on which Borrowers are current and are in the ordinary course of its business;

(h) Liens securing Indebtedness permitted pursuant to clause (h) of the definition of "Permitted Indebtedness";

(i) Liens of carriers, warehousemen, suppliers, or other persons arising in the ordinary course of business or by operation of the law;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of customs duties in connection with the importation of goods;

(k) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of like nature incurred in the ordinary course of business and not representing an obligation for borrowed money; and

(l) non-exclusive licenses of Intellectual Property granted to third parties in the ordinary course of business.

"Permitted Transfer" means the conveyance, sale, lease, transfer or disposition by Borrowers or any Subsidiary of:

(a) Inventory in the ordinary course of business;

(b) licenses and similar arrangements for the use of the property of Borrower or its Subsidiaries in the ordinary course of business;

(c) worn-out, surplus or obsolete Equipment not financed with the proceeds of Credit Extensions;

(d) grants of security interests and other Liens that constitute Permitted Liens; and

(e) other assets of a Borrower or its Subsidiaries that do not in the aggregate exceed $250,000 during any fiscal year.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or governmental agency.

"Prime Rate" means the variable rate of interest, per annum, most recently announced by Bank, as its "prime rate," whether or not such announced rate is the lowest rate available from Bank.

"Responsible Officer" means each of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, Vice President of Finance and the Controller of Borrowers, as well as any other officer or employee identified as an Authorized Officer in the corporate resolution delivered by Borrowers to Bank in connection with this Agreement.

"Schedule" means the schedule of exceptions attached hereto and approved by Bank, if any.

"Shares" means (i) sixty-five percent (65%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by a Borrower in any Subsidiary of such Borrower which is not an entity organized under the laws of the United States or territory thereof, and (ii) one hundred percent (100%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by a Borrower in any Subsidiary of such Borrower which is an entity organized under the laws of the United States or any territory thereof.

"SOS Reports" means the official reports from the Secretaries of State of each Collateral State, the state where each Borrower's chief executive office is located, the state of each Borrower's formation and other applicable federal, state or local government offices identifying all current security interests filed in the Collateral and Liens of record as of the date of such report.

“Subordinated Debt” means any debt incurred by Borrowers that is subordinated in writing to the debt owing by Borrowers to Bank on terms reasonably acceptable to Bank (and identified as being such by Borrowers and Bank).

“Subsidiary” means any corporation, partnership or limited liability company or joint venture in which (i) any general partnership interest or (ii) more than 50% of the stock, limited liability company interest or joint venture of which by the terms thereof ordinary voting power to elect the Board of Directors, managers or trustees of the entity, at the time as of which any determination is being made, is owned by Borrowers, either directly or through an Affiliate.

“Term Loan” means a cash advance under this Agreement.

“Trademarks” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrowers connected with and symbolized by such trademarks.

“Tranche I” means Ten Million Dollars ($10,000,000) of the Term Loan.

“Tranche II” means Five Million Dollars ($5,000,000) of the Term Loan.

“Tranche II Equity Event” means the receipt by Bank of evidence reasonably satisfactory to Bank of Parent’s receipt after the Closing Date of at least $13,150,000 of net cash proceeds from the sale or issuance of its equity securities to investors or upfront payments in connection with strategic partnerships, in each case, reasonably acceptable to Bank.

DEBTORS COMPASS THERAPEUTICS LLC AND COMPASS THERAPEUTICS ADVISORS, INC.

SECURED PARTY: PACIFIC WESTERN BANK

EXHIBIT B

COLLATERAL DESCRIPTION ATTACHMENT TO LOAN AND SECURITY AGREEMENT

All personal property of each Borrower (herein referred to as a "Borrower" or a "Debtor") whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to:

(a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), deposit accounts, documents (including negotiable documents), equipment (including all accessions and additions thereto), financial assets, general intangibles (including patents, trademarks, copyrights, goodwill, payment intangibles, domain names and software), goods (including fixtures), instruments (including promissory notes), inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of Debtor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records;

(b) any and all cash proceeds and/or noncash proceeds of any of the foregoing, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment. All terms above have the meanings given to them in the North Carolina Uniform Commercial Code, as amended or supplemented from time to time, including revised Division 9 of the Uniform Commercial Code-Secured Transactions.

Notwithstanding the foregoing, the Collateral shall not include any of the intellectual property, in any medium, of any kind or nature whatsoever, now or hereafter owned or acquired or received by a Borrower, or in which a Borrower now holds or hereafter acquires or receives any right or interest (collectively, the "Intellectual Property"); provided, however, that the Collateral shall include all accounts and general intangibles that consist of rights to payment and proceeds from the sale, licensing or disposition of all or any part, or rights in, the foregoing (the "Rights to Payment").

Notwithstanding the foregoing, if a judicial authority (including a U.S. Bankruptcy Court) holds that a security interest in the underlying Intellectual Property is necessary to have a security interest in the Rights to Payment, then the Collateral shall automatically, and effective as of March 30, 2018, include the Intellectual Property to the extent and only to the extent necessary to permit perfection of Bank's security interest in the Rights to Payment, and further provided, however, that Bank's enforcement rights with respect to any security interest in the Intellectual Property shall be absolutely limited to the Rights to Payment only, and Bank shall have no recourse whatsoever with respect to the underlying Intellectual Property.

EXHIBIT C
LOAN ADVANCE/PAYDOWN REQUEST FORM
[Please refer to New Borrower Kit]

EXHIBIT D
COMPLIANCE CERTIFICATE
[Please refer to New Borrower Kit]

SCHEDULE OF EXCEPTIONS

Permitted Indebtedness (Exhibit A) - None.

Permitted Investments (Exhibit A) - None.

Permitted Liens (Exhibit A)

That certain lease line agreement between Compass Therapeutics LLC and Boston Financial and Equity Corporation dated July 19, 2017

Prior Names (Section 5.5)

Compass Therapeutics LLC f/k/a Kairos Biologics Foundation LLC
Compass Therapeutics Advisors Inc. f/k/a Kairos Biologics Advisors Inc.

Litigation (Section 5.6) - None.

Inbound Licenses (Section 5.12) - None.

Exhibit 10.11

FIRST AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This First Amendment to Loan and Security Agreement (this "***Amendment***") is entered into as of September 26, 2018, by and among PACIFIC WESTERN BANK, a California state chartered bank ("***Bank***"), and COMPASS THERAPEUTICS LLC and COMPASS THERAPEUTICS ADVISORS, INC. (each a "***Borrower***" and collectively, "***Borrowers***").

RECITALS

Borrower and Bank are parties to that certain Loan and Security Agreement dated as of March 30, 2018 (as amended from time to time, the "***Agreement***"). The parties desire to amend the Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, the parties agree as follows:

1) Bank hereby waives any and all of Borrower's violations of the Primary Depository covenant, as more particularly described in Section 6.6 of the Agreement (as in effect immediately prior to the effectiveness of this Amendment), occurring on or before the date of this Amendment for maintaining Cash outside Bank in excess of the amounts permitted thereunder.

2) Section 2.5(c) of the Agreement is hereby amended and restated, as follows:

(c) Success Fee. Upon a Liquidity Event, Borrowers shall pay to Bank a fee of $1,050,000. Notwithstanding anything to the contrary in this Agreement, this Section 2.5(c) shall survive any termination of this Agreement; and

3) Section 6.6 of the Agreement is hereby amended and restated, as follows:

6.6 Primary Depository. Borrower shall maintain all its depository and operating accounts with Bank and all its investment accounts with Bank or Bank's affiliates. Notwithstanding the above, Borrower shall be permitted to maintain an aggregate amount not to exceed $250,000 in one or more accounts outside of Bank. Prior to maintaining any investment accounts with Bank's affiliates, the applicable Borrower, Bank, and any such affiliate shall have entered into a securities account control agreement with respect to any such investment accounts, in form and substance reasonably satisfactory to Bank.

4) Unless otherwise defined, all initially capitalized terms in this Amendment shall be as defined in the Agreement. The Agreement, as amended hereby, shall be and remain in full force and effect in accordance with its respective terms and hereby is ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Bank under the Agreement, as in effect prior to the date hereof. Each Borrower ratifies and reaffirms the continuing effectiveness of all agreements entered into in connection with the Agreement.

5) Each Borrower represents and warrants that the representations and warranties contained in the Agreement are true and correct as of the date of this Amendment.

6) This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

7) As a condition to the effectiveness of this Amendment, Bank shall have received, in form and substance satisfactory to Bank, the following:

   a) this Amendment, duly executed by each Borrower;

   b) payment of all Bank Expenses, including Bank's expenses for the documentation of this Amendment and any related documents, and any UCC, good standing or intellectual property search or filing fees, which may be debited from any of Borrower's accounts; and

   c) such other documents and completion of such other matters, as Bank may reasonably deem necessary or appropriate.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the first date above written.

COMPASS THERAPEUTICS LLC

By: /s/ Jeb Ledell
Name: Jeb Ledell
Title: Chief Operating Officer

COMPASS THERAPEUTICS ADVISORS, INC.

By: /s/ Jeb Ledell
Name: Jeb Ledell
Title: Chief Operating Officer

PACIFIC WESTERN BANK

By: /s/ Joseph Holmes Dague
Name: Joseph Holmes Dague
Title: Senior Vice President

[Signature Page to First Amendment to Loan and Security Agreement]

Exhibit 10.12

SECOND AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This Second Amendment to Loan and Security Agreement (this "***Amendment***") is entered into as of March 8, 2019, by and among PACIFIC WESTERN BANK, a California state chartered bank ("***Bank***"), and COMPASS THERAPEUTICS LLC and COMPASS THERAPEUTICS ADVISORS, INC. (each a "***Borrower***" and collectively, "***Borrowers***").

RECITALS

Borrower and Bank are parties to that certain Loan and Security Agreement dated as of March 30, 2018 (as amended from time to time, the "***Agreement***"). The parties desire to amend the Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, the parties agree as follows:

1) The following defined term in Exhibit A to the Agreement is hereby amended and restated, as follows:

"Milestone II" means receipt by Bank of evidence reasonably satisfactory to Bank of Parent's receipt after the Closing Date of at least $62,350,000 of net proceeds from the sale or issuance of its equity securities on or before April 30, 2019 to investors reasonably acceptable to Bank.

2) Unless otherwise defined, all initially capitalized terms in this Amendment shall be as defined in the Agreement. The Agreement, as amended hereby, shall be and remain in full force and effect in accordance with its respective terms and hereby is ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Bank under the Agreement, as in effect prior to the date hereof. Each Borrower ratifies and reaffirms the continuing effectiveness of all agreements entered into in connection with the Agreement.

3) Each Borrower represents and warrants that the representations and warranties contained in the Agreement are true and correct as of the date of this Amendment.

4) This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

5) As a condition to the effectiveness of this Amendment, Bank shall have received, in form and substance satisfactory to Bank, the following:

a) this Amendment, duly executed by each Borrower;

b) payment of all Bank Expenses, including Bank's expenses for the documentation of this Amendment and any related documents, and any UCC, good standing or intellectual property search or filing fees, which may be debited from any of Borrower's accounts; and

c) such other documents and completion of such other matters, as Bank may reasonably deem necessary or appropriate.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the first date above written.

COMPASS THERAPEUTICS LLC

By: /s/ Lynne Sullivan
Name: Lynne Sullivan
Title: CFO

COMPASS THERAPEUTICS ADVISORS, INC.

By: /s/ Damon Banks
Name: Damon Banks
Title: Secretary

PACIFIC WESTERN BANK

By: /s/ Joseph Holmes Dague
Name: Joseph Holmes Dague
Title: Senior Vice President

[Signature Page to Second Amendment to Loan and Security Agreement]

Exhibit 10.13

THIRD AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This Third Amendment to Loan and Security Agreement (this *"Amendment")* is made and entered into as of October 29, 2019, by and among PACIFIC WESTERN BANK, a California state chartered bank ("***Bank***"), and COMPASS THERAPEUTICS LLC and COMPASS THERAPEUTICS ADVISORS, INC. (each a "***Borrower***" and collectively, "***Borrowers***").

RECITALS

Borrowers and Bank arc parties to that certain Loan and Security Agreement dated as of March 30, 2018 (as amended from time to time, the "***Agreement***"). The parties desire to amend the Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, the parties agree as follows:

1) Pursuant to Section 6.2(a)(ii) of the Agreement, Borrowers are required to deliver to Bank then- audited consolidated and consolidating financial statements for each fiscal year (the "Audited Financials") within 180 days alter the end of such fiscal year. In a letter issued by Bank to Borrowers dated as of February 13, 2019, Bank extended the due date for Borrowers to deliver their Audited Financials for their 2018 fiscal year to September 30, 2019. In a second letter issued by Bank to Borrowers dated as of August 13,2019, Bank further extended the due date for Borrowers to deliver their Audited Financials for their 2018 fiscal year to December 31, 2019. Bank hereby further extends the due date for Borrowers to deliver their Audited Financials for their 2018 fiscal year to May 31, 2020.

2) Bank hereby agrees to refund to Borrowers the monthly payments of principal on the Term Loan made by Borrowers on October 1, 2019 pursuant to Section 2.1(b)(ii) of the Agreement. For the avoidance of doubt, such refunded amounts shall be deemed to be principal outstanding under Section 2.1(b) of the Agreement and shall be payable by Borrowers to Bank in accordance with the terms of Section 2.1 (b)(ii) of the Agreement, as amended by this Amendment.

3) Section 2.1 (b)(ii) of the Agreement is hereby amended and restated, as follows:

(ii) Repayment. Interest shall accrue from the date of the Term Loan at the rate specified in Section 2.3(a) and shall be payable monthly on the first day of each month thereafter. Any amount of the Term Loan that is outstanding on the Interest Only End Date shall be payable in twenty-four (24) equal monthly installments of principal, plus all accrued interest, beginning on April 1, 2020 and continuing on the first day of each month thereafter through the Maturity Date, at which time all amounts due in connection with the Term Loan and any other amounts due under this Agreement shall be immediately due and payable. The Term Loan, once repaid, may not be reborrowed.

4) Section 6.7 of the Agreement is hereby amended and restated, as follows:

6.7 Financial Covenants. Borrowers shall maintain the financial covenant in subsection (a) below beginning on April 2, 2020 and continuing at all times thereafter if, but only if, Parent does not receive, after October 15,2019 but on or before April 1, 2020, net Cash proceeds of at least 840,000,000 from the sale or issuance of Parent's equity securities.

(a) Minimum Cash at Bank. Borrowers shall maintain a balance of Cash at Bank of not less than $6,000,000, monitored on a daily basis.

5) The following defined terns in Exhibit A to the Agreement are hereby amended and restated, as follows:

"Interest Only End Date" means March 31, 2020.

"Liquidity Event" means (a) any sale, license, or other disposition of all or substantially all of the assets (including intellectual property) of a Borrower and its Subsidiaries taken as a whole, (b) any reorganization, consolidation, merger or sale of the voting securities of a Borrower or any other transaction where the holders of a Borrower's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction, or (c) the sale or issuance of a Borrower's or its Affiliate's equity securities in connection with an initial public offering, an alternative public offering, a reverse merger, or any similar transaction in which a Borrower or its Affiliate receives cash proceeds from such sale or issuance and a Borrower's or its Affiliate's equity-securities may thereafter be traded in a public market.

"Maturity Date" means March 1,2022.

6) Unless otherwise defined, all initially capitalized terms in this Amendment shall be as defined in the Agreement. The Agreement, as amended hereby, shall be and remain in full force and effect in accordance with its respective terms and hereby is ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Bank under the Agreement, as in effect prior to the date hereof. Each Borrower ratifies and reaffirms the continuing effectiveness of all agreements entered into in connection with the Agreement.

7) Each Borrower represents and warrants that the representations and warranties contained in the Agreement are true and correct as of the date of this Amendment.

8) This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

9) As a condition to the effectiveness of this Amendment, Bank shall have received, in form and substance satisfactory to Bank, the following:

a) this Amendment, duly executed by each Borrower;

b) payment of a $10,000 facility fee, which may be debited from any Borrower's accounts;

c) payment of all Bank Expenses, including Bank's expenses for the documentation of this Amendment and any related documents, and any UCC, good standing or intellectual property search or filing fees, which may be debited from any Borrower's accounts; and

d) such other documents and completion of such other matters, as Bank may reasonably deem necessary or appropriate.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the first date above written.

COMPASS THERAPEUTICS LLC

By: /s/ Thomas J. Schuetz
Name: Thomas J. Schuetz
Title: CEO

COMPASS THERAPEUTICS ADVISORS, INC.

By: /s/ Thomas J. Schuetz
Name: Thomas J. Schuetz
Title: CEO

PACIFIC WESTERN BANK

By: /s/ Joseph Holmes Dague
Name: Joseph Holmes Dague
Title: Senior Vice President

*[**Signature Page to Third Amendment to Loan and Security Agreement**]*

Exhibit 10.14

JAMESTOWN PREMIER 245 FIRST, LLC
c/o Jamestown
675 Ponce de Leon Avenue, 7th Floor
Atlanta, GA 30308

July 29, 2016

Horizon Discovery Inc.
245 First Street
Cambridge, MA 02142
Attn: Jeb Ledell

Compass Therapeutics LLC
245 First Street
Cambridge, MA 02142
Attn: Errik B. Anderson

Foley Hoag LLP
155 Seaport Boulevard
Boston, MA 02210
Attn: Robert L. Birnbaum Esq.

RE: CONSENT TO SUBLEASE

"**Building**":	As defined in the Lease
"**Premises**":	As defined in the Lease
"**Landlord**":	Jamestown Premier 245 First, LLC, a Delaware limited liability company
"**Tenant**":	Horizon Discovery Inc., a Delaware corporation
"**Subtenant**":	Compass Therapeutics LLC, a Delaware limited liability company
"**Lease**":	Lease dated November 9, 2015
"**Sublease**":	Sublease annexed hereto as Exhibit A and incorporated herein by this reference, as same may hereafter be amended, modified, extended or restated from time to time, as may be permitted hereunder

Ladies and Gentlemen:

You have requested our consent to the Sublease. Such consent is hereby granted on the terms and conditions, and in reliance upon the representations and warranties, set forth in this letter agreement (this "**Agreement**").

1. Tenant represents and warrants that, as of the date of this Agreement, (a) the Lease is in full force and effect; (b) the Lease has not been assigned, encumbered, amended, modified, extended or supplemented; (c) Tenant knows of no defense or counterclaim to the enforcement of the obligations of the Tenant under the Lease; (d) Tenant is not entitled to any reduction, offset or abatement of the rent payable under the Lease; (e) a true and complete copy of the Sublease is attached hereto as Exhibit A, and the Sublease constitutes the entire agreement between Tenant and Subtenant with respect to the subject matter thereof; and (f) Tenant is not in default of any of its obligations or covenants, and has not breached any of its representations or warranties under the Lease beyond any applicable notice and cure periods.

2. The Sublease shall be subject and subordinate to the Lease and all of its provisions. Neither Tenant nor Subtenant shall take, permit or suffer any action which would violate the provisions of the Lease or this Agreement.

3. Landlord's obligations to Tenant are governed only by the Lease and this Agreement. Landlord shall not be bound or estopped by any provision of the Sublease, including any provision purporting to impose any obligations upon Landlord. Without limiting the foregoing, and notwithstanding anything to the contrary contained in Section 22 of the Sublease, in no event shall Landlord be deemed to have waived any claim which Landlord has against Subtenant on account of lost profit, damage to or loss of business, or any form of special, indirect or consequential damages. Nothing contained herein shall be construed as a consent to, approval of, or ratification by Landlord of, any of the particular provisions of the Sublease, or any plan or drawing referred to or contained therein. Tenant expressly acknowledges that Landlord has not approved any provision of the Sublease. Any and all alterations, additions and improvements in or to the Premises shall be subject to the prior written approval of the Landlord in accordance with the terms and provisions of the Lease. Subtenant shall name Landlord as an additional insured party under any liability insurance policy maintained by Subtenant with respect to the Premises, and prior to taking possession of the Premises shall deliver a certificate evidencing said insurance to Landlord. Notwithstanding anything herein to the contrary, Subtenant shall have the benefit of all of Section 3, Section 4, and Section 5 of the Sublease.

4. If Tenant or Subtenant violates any of the terms of this Agreement, or if any representation by Tenant or Subtenant in this Agreement is untrue in any material respect, or if Subtenant takes any action which would constitute a default under the Lease, then Landlord may declare the Lease to be in default and avail itself of all remedies provided at law or equity or in the Lease with respect to defaults after any applicable notice and cure periods.

5. If the Lease is terminated prior to the stated expiration date provided in the Lease, the Sublease shall likewise terminate on the date of such termination. In connection with such termination, Subtenant, at its sole expense, shall surrender the Premises to Landlord in the manner provided for in the Lease, including the removal of all its personal property from the Premises and from the Building, and repair all resulting damage to the Premises and the Building. Except as otherwise provided in the Lease, Landlord shall have the right to retain any property and personal effects which remain in the Premises or the Building after the date of termination of the Sublease, without any obligation or liability to Tenant or Subtenant, and to retain any net proceeds realized from the sale thereof, without waiving Landlord's rights with respect to any default by Tenant under the Lease or Subtenant under the foregoing provisions of this paragraph and the provisions of the Lease and Sublease. If Subtenant shall fail to vacate and surrender the Premises in accordance with the provisions of this paragraph, Landlord shall be entitled to all of the rights and remedies which are available to a landlord against a tenant holding over after the expiration of a term, and any such holding over shall be deemed a default under the Lease. In addition, Subtenant agrees that it will not seek, and it expressly waives any right to seek, any stay of the prosecution of, or the execution of any judgment awarded in, any action by Landlord to recover possession of the Premises. Subtenant may not vacate the Premises on a Sunday or holiday. If the Sublease terminates on a Sunday or holiday, Subtenant must comply with this paragraph by the end of the preceding Saturday or business day. This paragraph shall survive the expiration or earlier termination of the Lease and/or the Sublease.

6. Tenant and Subtenant each agrees:

(i) notwithstanding any provision contained in this Agreement to the contrary, the liability of the Landlord for its obligations (whether under the Lease, this Agreement, or otherwise) shall be limited to the interests of Landlord in the Building. In no event shall any partner, member, manager, shareholder, director, officer, principal, employee, agent, or owner of Landlord, direct or indirect, disclosed or undisclosed, be personally liable for any debts, liabilities or obligations of Landlord, or for any claims against Landlord, arising out of or resulting from the Lease, the Premises, or this Agreement. Any such debts, obligations, liabilities or claims shall be satisfied solely out of the interests of Landlord in the Building. In no event shall any personal judgment be sought or obtained against any partner, member, manager, shareholder, director, officer, principal, employee, agent, or owner of Landlord, direct or indirect, disclosed or undisclosed; and (ii) the obligations of Landlord under this Agreement and the Lease shall not be binding upon Landlord after the sale, conveyance, assignment or transfer by Landlord of its interest in the Real Property, and Tenant and Subtenant shall look solely to the transferee for the satisfaction of such obligations. Any such transferee shall be deemed to have assumed all of Landlord's obligations under this Agreement.

7. Tenant and Subtenant each represents and warrants that no rent or other consideration is being paid or is payable to Tenant by Subtenant for the right to use or occupy the Premises or for the use, sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture or other personal property in excess of the pro-rata portion of the fixed rent and any additional rent payable pursuant to the Lease except as set forth in the Sublease.

8. The Lease and this Agreement constitute the entire agreement of the parties with respect to Landlord's consent to the Sublease. This Agreement may not be amended, modified, altered or changed except in writing signed by the Landlord.

9. Copies of all notices or other written communications sent pursuant to the Sublease shall be sent to the Landlord concurrently, and all statements, notices and other communications given pursuant to this Agreement must be in writing and must be delivered personally with receipt acknowledged, or sent by a nationally recognized reputable overnight courier (against a receipt of delivery), or by registered mail, return receipt requested, addressed to the parties at their addresses set forth above, or, if to Subtenant, at the Building, or at such other address as any party may designate upon not less than 10 days' prior notice given in accordance with this paragraph. Any such communication shall be deemed delivered when personally delivered, or on the date received or rejected as indicated by the receipt if sent by overnight courier or by the return receipt if sent by mail.

10. This Agreement shall be construed and governed by the laws of the Commonwealth of Massachusetts, without regard to principles of conflicts of laws.

11. Landlord's rights and remedies under this Agreement shall be in addition to every other right or remedy available to it under the Lease, at law, in equity or otherwise, and Landlord shall be able to assert its rights and remedies at the same time as, before, or after its assertion of any other right or remedy to which it is entitled without in any way diminishing such other rights or remedies. Nothing contained herein shall be deemed to diminish or relieve the Tenant of its primary responsibility and liability under the Lease. The invalidity or unenforceability of any provision of this Agreement shall not impair the validity and enforceability of any other provision of this Agreement.

12. This Agreement shall bind and inure to the benefit of the parties and their respective successors and assigns, except as provided in Paragraph 6 (ii) above and except that it shall not inure to the benefit of any successor or assign of Tenant or Subtenant whose status was acquired in violation of the Lease and/or this Agreement.

13. Tenant and Subtenant each represents that it is duly authorized to execute and deliver this Agreement, and that it has full power and authority to enter into this Agreement.

14. Tenant and Subtenant, jointly and severally, indemnify Landlord against, and hold it harmless from, all costs, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of any claims for brokerage commissions, finders' fees or other compensation in connection with the Sublease or procuring possession of the Premises. Tenant and Subtenant, at their sole expense, may defend any such claim with counsel reasonably acceptable to Landlord and settle any such claim at their expense; however, any stipulation, settlement agreement, consent order, judgment or decree entered into in connection therewith (collectively, "**Settlement Agreements**") shall be subject to the prior written approval of the Landlord in all respects, which approval shall not be unreasonably withheld, conditioned or delayed, so long as the Settlement Agreements do not impose any obligations or liability on the part of Landlord. The provisions of this paragraph 14 shall survive the expiration or earlier termination of the Lease and/or the Sublease.

15. Tenant and Subtenant, jointly and severally, indemnify Landlord against, and hold it harmless from any and all losses, costs, expenses, claims and liabilities including, but not limited to, reasonable counsel fees, arising from the use, occupancy, conduct or management of the Premises by Subtenant, or its agents, employees, contractors, representatives, invitees or visitors, or Subtenant's business activities therein. If any action or proceeding is brought against Landlord by reason of any such claim, Subtenant and/or Tenant, upon written notice from Landlord, shall, at Tenant's or Subtenant's sole cost and expense, as the case may be, resist or defend such action or proceeding using counsel reasonably approved by Landlord; however, the Settlement Agreements entered into in connection therewith shall be subject to the prior written approval of the Landlord in all respects, which approval shall not be unreasonably withheld, conditioned or delayed, so long as the Settlement Agreements do not impose any obligations or liability on the part of Landlord. The provisions of this paragraph 15 shall survive the expiration or earlier termination of the Term of the Sublease and/or the Lease. The indemnity and any right granted to Landlord pursuant to this paragraph shall be in addition to, and not in limitation of, Landlord's rights under the Lease.

16. In no event shall the Sublease be modified, amended or supplemented, or shall the Sublease or the rights of Subtenant thereunder be assigned or sub-sublet, without the prior written consent of the Landlord in each instance. If Tenant or Subtenant desires Landlord's consent to any such action it must specifically and separately request such consent. Tenant shall give Landlord prompt written notice if the Sublease terminates prior to the expiration of its stated Term.

17. Neither the execution and delivery of this Agreement or the Sublease, nor any acceptance of rent or other consideration from Subtenant by Landlord or Landlord's agent shall operate to waive, modify, impair, release or in any manner affect Tenant's liabilities and obligations under the Lease or Subtenant's liabilities and obligations under the Sublease.

18. If there shall be any conflict or inconsistency between the terms, covenants and conditions of this Agreement and the Sublease, then the terms, covenants and conditions of this Agreement shall prevail. If there shall be any conflict or inconsistency between the terms, covenants and conditions of this Agreement and the Lease, then the provisions of this Agreement shall prevail.

19. Each of the parties hereby irrevocably and unconditionally waives its right to a jury trial in any cause of action arising out of, or relating to, this Agreement. All disputes arising, directly or indirectly, out of or relating to this Agreement, and all actions to enforce this Agreement, shall be dealt with and adjudicated in the state courts of the Commonwealth of Massachusetts or the federal courts for the Commonwealth of Massachusetts and for that purpose each party hereby expressly and irrevocably submits itself to the jurisdiction of such courts. To the maximum extent permitted under applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, shall be necessary in order to confer jurisdiction upon it in any such court

20. Tenant agrees to pay, upon demand, Landlord's reasonable out-of-pocket fees and disbursements incurred in connection with and related to the preparation and execution of this Agreement.

21. Signage. Reference is hereby made to the following:

(a) Monument Signage.

(i) The last sentence of Section 12.2 of the Lease, which states:

"The right to the Monument Sign granted pursuant to this Section 12.2 is personal to Tenant, and may not be exercised by any occupant, subtenant, or other assignee of Tenant, other than an Affiliated Entity"; and

(ii) Section 23 of the Sublease, which states:

"Subject to the consent of Overlandlord, during the Term, Subtenant shall be allowed to list its name or logo on all listings currently listing the name or logo of Sublandlord (including, without limitation, the Monument Sign), at Subtenant's sole cost and expense; provided, however, that Sublandlord shall bear the cost of restoring Sublandlord's name and logo at the end of the Term."

Notwithstanding the provisions of Section 12.2 of the Lease, Landlord hereby agrees that, upon written request from Tenant, Landlord will, during the Term of the Sublease, replace Tenant's signage on the Monument Sign with signage identifying Subtenant, subject to the following: (x) such replacement signage shall be subject to Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed, provided that Subtenant's Monument Sign is similar to Tenant's existing Monument Sign, (y) Landlord shall have the right, upon ten (10) business days' prior written notice to Tenant and Subtenant and for any reason, to deny Subtenant the right to replace Tenant's signage on the Monument Sign, in which event, Landlord shall, upon commencement of the term of the Sublease, remove Tenant's Monument Sign (if Landlord gives such notice prior to the installation of Subtenant's Monument Sign), or Landlord shall, within ten (10) business days' of such notice, remove Subtenant's Monument Sign (if Landlord gives such notice after the installation of Subtenant's Monument Sign), and (z) Tenant and Subtenant shall be jointly responsible for the cost of any such removal and/or replacement of Tenant's and/or Subtenant's Monument Signage and shall, within thirty (30) days of demand, pay such cost to Landlord.

(b) Other Signage. Subject to the consent of Landlord, during the Term of the Sublease, Landlord shall, at Subtenant's sole cost and expense, replace Tenant's currently existing signage in the common areas of the Building, other than the Monument Signage, with similar signage identifying Subtenant; provided, however that Tenant shall bear the cost of restoring Tenant's name and logo on such signage at the end of the Term of the Sublease.

22. Reference is made to Sections 2 through 6 of Exhibit 3 to the Lease. Landlord agrees that the provisions of Exhibit 3 to the Lease (including, without limitation, payment of the Allowance) shall apply to the Initial Alterations to be performed by Subtenant under the same terms and conditions as if the Initial Alterations were being performed by Tenant, provided that Landlord shall have no obligation to deal directly with Subtenant or its contractors in connection with the payment of the Allowance, the parties hereby agreeing and acknowledging that Landlord shall make payments on account of the Allowance directly to Tenant, who then shall be required to pay to Subtenant any such amounts received by Tenant from Landlord.

23. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute one and the same instrument. This Agreement shall be effective upon execution and delivery by all of the parties hereto.

Executed as an instrument under seal as of the date and year set forth above.

[Signatures on the following two pages]

Please acknowledge your agreement to the terms and conditions of this Agreement by signing this Agreement where indicated below and returning it to the Landlord.

Very truly yours,

JAMESTOWN PREMIER 245 FIRST, LLC,
a Delaware limited liability company

By: /s/ Renee T. Bergerun
Name: Renee T. Bergerun
Title: VP

HORIZON DISCOVERY INC.,
a Delaware corporation

By: /s/ Jeb Ledell
Name: Jeb Ledell
Title: COO
Hereunto duly authorized

COMPASS THERAPEUTICS LLC,
a Delaware limited liability company

By: /s/ Errik Anderson
Name: Errik Anderson
Title: President + COO
Hereunto duly authorized

CONFIRMATION OF GUARANTY

The undersigned, as Guarantor of the above-referenced Lease pursuant to a Guaranty dated as of November 9, 2015, hereby acknowledges and agrees that the term "Lease" as defined in said Guaranty shall mean the above-referenced Lease, and hereby consents to the Sublease and confirms and agrees that said Guaranty shall remain in full force and effect in accordance with the terms thereof with respect to the Lease and the Sublease.

EXECUTED UNDER SEAL as of the date first above written.

HORIZON DISCOVERY GROUP, PLC,
a United Kingdom corporation

By: /s/ Jeb Ledell
Name: Jeb Ledell
Title: COO
Hereunto duly authorized

Exhibit A

Sublease

See attached.

SUBLEASE AGREEMENT

This Sublease Agreement (this "Sublease"), made as of the 27th day of July, 2016, by and between HORIZON DISCOVERY INC., a Delaware corporation, as sublandlord (hereinafter referred to as "Sublandlord"), and COMPASS THERAPEUTICS LLC, a Delaware limited liability company, as subtenant (hereinafter referred to as "Subtenant");

W I T N E S S E T H:

WHEREAS, by an Indenture of Lease, dated November 9, 2015 (the "Overlease"). JAMESTOWN PREMIER 245 FIRST, LLC, a Delaware limited liability company (hereinafter referred to as "Overlandlord") leased to Sublandlord, as lessee, (i) the space containing approximately 22,581 rentable square feet of space on the third floor of the Science Building (as defined in the Overlease) and defined in the Overlease as the "Principal Premises" and having an address at 245 First Street, Cambridge, Massachusetts 02142, (ii) the space containing approximately 4,339 rentable square feet of storage space on the third floor of the Science Building and defined in the Overlease as the "Storage Premises", and (iii) the space containing approximately 160 rentable square feet of space on the first floor of the Science Building and defined in the Overlease as the "PH System Premises", each as more specifically described in the Overlease (collectively, the "Lease Premises"), upon and subject to the terms and conditions set forth in the Overlease; and

WHEREAS, effective on February 1, 2017 (the "Commencement Date"), Subtenant desires to sublet the entire Lease Premises (the "Sublease Premises") from Sublandlord and Sublandlord desires to sublet the entire Sublease Premises to Subtenant upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto, for themselves, their successors and assigns, mutually covenant and agree as follows:

1. Capitalized Terms. Any capitalized terms not otherwise defined in this Sublease shall have the respective meanings ascribed thereto in the Overlease.

2. Demise. Effective on the Commencement Date, Sublandlord does hereby sublease to Subtenant, and Subtenant does hereby sublease from Sublandlord, for the Term (as defined below) and upon the conditions hereinafter provided, the Sublease Premises. Subtenant shall have the right as appurtenant to the Sublease Premises to use the Common Areas as set forth in and subject to Section 1.3(a) of the Overlease.

3. Rooftop Premises and Equipment. During the Term, Subtenant shall have the right to use the Rooftop Premises for the installation of certain equipment purchased and installed by, or on behalf of, Subtenant in accordance with the terms of the Overlease (any equipment installed within the Rooftop Premises by Subtenant, as the same may be modified, altered or replaced during the Term, is collectively referred to herein as "Subtenant's Rooftop Equipment"). Subtenant's Rooftop Equipment may include supplemental HVAC equipment, antennas, satellite dishes and equipment related thereto. Subtenant's use of the Rooftop Premises and installation of Subtenant's Rooftop Equipment shall be subject to the terms and conditions set forth in Section 1.3(c) of the Overlease, including without limitation Overlandlord's approval rights with respect to Subtenant's Rooftop Equipment.

4. Generator. Subtenant shall have the right to use the Generator throughout the Term, on the terms and conditions set forth in Section 1.3(d) of the Overlease (as incorporated herein by reference).

5. Parking. Subtenant shall have the right to use the Parking Spaces throughout the Term, on the terms and conditions set forth in Section 1.3(b) of the Overlease (as incorporated herein by reference). Notwithstanding anything in Section 1.3(b) of the Overlease (as incorporated herein by reference) to the contrary, Subtenant shall have no right to hypothecate, encumber, sublet, assign or otherwise transfer the Parking Spaces other than to employees of Subtenant occupying the Sublease Premises without Sublandlord's consent, which may be withheld in Sublandlord's sole and absolute discretion.

6. Condition of the Sublease Premises. Subtenant represents that it has thoroughly examined the Sublease Premises and that, on the Commencement Date, the same shall be accepted by Subtenant in their "as-is", "where-is" condition existing on the Commencement Date.

7. FF&E. During the Term, Sublandlord shall provide Subtenant the use of the existing furniture, fixtures and equipment owned by Sublandlord, located in the Sublease Premises and described in Exhibit A attached hereto (the "FF&E"), without additional charge. Such FF&E shall be delivered to Subtenant in its then "as-is" condition, without representation of warranty or merchantability. Sublandlord has no obligation to perform any work or maintenance thereon. Subtenant shall not remove such FF&E from the Sublease Premises without the approval of Sublandlord, in its sole and absolute discretion, and shall surrender such FF&E in its condition as of the Commencement Date, reasonable wear and tear excepted, to Sublandlord at the end of the Term with the Sublease Premises. Subtenant shall maintain the FF&E at all times in good working order and in substantially the manner in which such FF&E is maintained by Sublandlord as of the Commencement Date, including without limitation by timely performing, at Subtenant's cost, all inspections and scheduled maintenance thereof as may be required or reasonably necessary. Subtenant shall keep in force throughout the Term insurance coverage protecting such FF&E against loss or damage in an amount equal to the full replacement value thereof.

8. Term and Surrender. The term of this Sublease ("Term") shall commence on the Commencement Date and shall end on January 31, 2019, or on such earlier date upon which said Term may expire or be terminated pursuant to any of the conditions or limitations or other provisions of this Sublease or pursuant to law (which date for the termination of the term hereof shall hereafter be called the "Termination Date"). Upon the expiration or earlier termination of the Term, Subtenant shall (i) peaceably quit and surrender to Sublandlord the Sublease Premises (including without limitation all fixed lab benches, fume hoods, electric, plumbing, heating and sprinkling systems, fixtures and outlets, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning, cooling equipment, Alterations (unless (A) Sublandlord has conditioned its approval of the same upon Subtenant's removing the same from the Sublease Premises upon the expiration or earlier termination of the Term), or (B) Overlandlord has conditioned its approval of the same upon Sublandlord's removing the same from the Lease Premises upon the expiration or earlier Termination of the term of the Overlease, any such Alterations described in this parenthetical, the "Removal Alterations"), Tenant's Work, Tenant's Property and FF&E therein) broom clear, in good order, repair and condition (but not a lesser condition than existing as of the Commencement Date) excepting only ordinary wear and tear and damaged by fire or other insured Casualty, (ii) remove all of Subtenant's furniture, equipment, fixtures, Subtenant's Rooftop Equipment, Removal Alterations and property of every kind, nature and description related to or arising out of Subtenant's subleasehold estate hereunder which may be in or upon the Sublease Premises or the Building (collectively, "Subtenant's Property"), and (iii) repair any damages to the Sublease Premises or the Building caused by the installation or removal of Subtenant's Property, ordinary wear and tear excepted. Subtenant shall (i) prior to the expiration of this Sublease (or within thirty (30) days after any earlier termination), clean all interior surfaces (including without limitation floors, walls, ceilings, and counters), piping, supply lines, waste lines, acid neutralization systems and plumbing in and/or exclusively serving the Sublease Premises, and all exhaust or other ductwork in and/or exclusively serving the Sublease Premises, in each case which has carried or released or been contacted by any Hazardous Materials or other chemical or biological materials used in the operation of the Sublease Premises, and shall otherwise clean the Sublease Premises so as to permit the Surrender Plan to be issued, and (ii) at least thirty (30) days prior to the expiration of the Term (or, if applicable, within five (5) business days after any earlier termination of this Sublease based upon Subtenant's default or ten (10) business days after any earlier termination of this Sublease for any reason other than Subtenant's default), deliver to Sublandlord a Surrender Plan, as described and upon the terms and conditions set forth in Section 21.1(b) of the Overlease. Subtenant shall further, upon Sublandlord's election, perform with respect to the Sublease Premises any decommissioning activities set forth in Section 21 of the Overlease. Subtenant's obligations under this paragraph 8 shall survive the Term.

9. Subtenant Obligations:

(a) From and after the Commencement Date and for the duration of the Term, except to the extent expressly provided herein to the contrary, Subtenant shall assume all of the liabilities and perform all of the obligations of the "Tenant" under or in connection with the Overlease arising or accruing on or after the Commencement Date and during the duration of the Term (collectively, the "Assumed Liabilities"), including without limitation (i) satisfaction of any other financial obligations of "Tenant" under the Overlease, including without limitation payment of Base Rent (Premises), Base Rent (Storage Premises), Base Rent (PH System Premises) (collectively, "Base Rent"), parking fees, Property Management Fee Rent and all Additional Rent (all of the foregoing financial obligations, including without limitation Base Rent, collectively, "Rent"), Subtenant to pay all Rent to Sublandlord in cash or other immediately available funds pursuant to such instructions as Sublandlord may furnish from time to time, no later than three (3) business days before payment of any such amounts is due under the Overlease, unless and until Sublandlord instructs Subtenant otherwise in writing), (ii) maintenance of the Sublease Premises and any improvements constructed thereon, (iii) indemnifications and other obligations with respect to environmental conditions in, on or about the Sublease Premises, arising on or after the Commencement Date (and, to the extent arising out of Subtenant's use or occupancy of the Lease Premises prior to the Commencement Date, before the Commencement Date), and (iv) obtaining and maintaining all insurance types and coverages required of the "Tenant" under the Overlease (all insurance policies to name Overlandlord and Sublandlord as additional insureds thereunder). Without limitation of the foregoing, beginning on the Commencement Date, Subtenant will, at its own expense, pay and discharge all costs and charges for electricity, gas, water, sewer and garbage collection, telephone furnished and all other utilities in connection with or for the use of the Sublease Premises, or any part of it, during the Term including the making of deposits with the proper authorities or persons in order to secure such services. As of the Commencement Date, if any utility services are being furnished to the Sublease Premises from accounts that are in the name of Sublandlord, Subtenant shall promptly commence, and use its best efforts, to change such service accounts with the proper authorities or persons into the name of Subtenant. Subject to the immediately preceding sentence, within ten (10) business days after written demand by Sublandlord, Subtenant shall promptly furnish Sublandlord with satisfactory evidence of the timely and proper payment and discharge of all such utility fees and charges. Notwithstanding anything to the contrary in this Sublease, if for any reason any of the utilities referenced above are unavailable, discontinued, terminated, broken or the like, it shall not be a default by Sublandlord under this Sublease, nor shall Sublandlord be liable to Subtenant for any damages, costs, or expenses in connection therewith, nor shall Tenant be allowed to reduce, withhold, or abate any payment of Rent.

(b) Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any claims, actions, damages, liabilities or expenses, including without limitation injury to or death of any person or damage to any property and any reasonable attorney's fees and court costs, arising from, by reason of or out of the Assumed Liabilities or otherwise in connection with Subtenant's use or occupancy of the Property (whether before, on or after the Commencement Date), including without limitation any claim of any kind whatsoever by reason of any alleged or actual breach or default of Sublandlord under the Overlease. Subtenant shall also pay all costs, expenses and legal fees that may be incurred or paid by Sublandlord in enforcing the terms, covenants and conditions of this Sublease.

(c) If Subtenant holds over (which term shall include, without limitation, the failure of Subtenant to surrender the Sublease Premises in the condition required by paragraph 8 of this Sublease) after the end of the Term, Subtenant shall be deemed a tenant-at-sufferance subject to the provisions of this Sublease; provided that, whether or not Sublandlord has previously accepted payments of Rent from Sublandlord, (i) Subtenant shall pay at the Hold Over Percentage of the Base Rent, at the highest rate of Base Rent payable during the Term, (ii) Subtenant shall continue to pay to Sublandlord all Additional Rent, and (iii) Subtenant shall be liable for all damages, including without limitation lost business and consequential damages, incurred by Sublandlord as a result of such holding over, Subtenant acknowledging that the damages which Sublandlord may suffer as the result of Subtenant's holding over cannot be determined as of the date of this Sublease. Nothing contained herein shall grant Subtenant the right to hold over after the Term.

(d) If it is determined pursuant to an audit or reconciliation of Overlandlord's books and records by Overlandlord and/or Sublandlord that any amount of Additional Rent billed to or paid by Subtenant was incorrect, (x) if the determination is that Subtenant underpaid the amount of Additional Rent, Subtenant shall pay Sublandlord the deficiency within five (5) days after Sublandlord provides written notice of such determination, or (y) if the determination is that Subtenant overpaid the amount of Additional Rent, Sublandlord shall refund or credit such overpayment (less Sublandlord's costs incurred in connection with such audit) to Subtenant within five (5) days after and to the extent that Sublandlord receives the same from Overlandlord. Sublandlord agrees to enforce any such audit rights under the Overlease at the request and expense of Subtenant.

10. Terms of Overlease.

(a) Except as expressly otherwise provided in this Sublease and except to the extent that they are otherwise expressly modified or eliminated by the terms of this Sublease, as between the parties hereto, all of the terms, provisions, covenants and conditions of the Overlease are incorporated herein by reference and hereby made a part of this Sublease. However, for purposes of such incorporation by reference, all references to Landlord and Tenant shall be deemed references to Sublandlord and Subtenant, respectively, (provided, however, that "Landlord" shall not be deemed to refer to Sublandlord where the context requires "Landlord" to refer to Overlandlord and not Sublandlord in order to be consistent with the express terms and conditions of this Sublease, including without limitation with respect to provision of the services described in Section 9 of the Overlease), all references to the Premises, the Principal Premises the Storage Premises and/or the PH Systems Premises shall be deemed references to the Sublease Premises hereunder, all references to the term of the Overlease shall be deemed references to the Term of this Sublease and all references to "Exhibit 7" shall be deemed references to Exhibit C attached hereto. Sublandlord shall give Subtenant, within two (2) business days following Sublandlord's receipt of the same, written notices of any kind, including default notices, received by Sublandlord with respect to the Sublease Premises. Subtenant shall be entitled to the same notice and cure periods as Sublandlord is afforded under the Overlease; provided, that, in the event Subtenant receives from Sublandlord any notice to cure any non-monetary default hereunder or under the Overlease for which Subtenant is responsible, which notice is based on a notice sent to Sublandlord by Overlandlord pursuant to the Overlease, Subtenant shall cure such condition on or prior to the later of (a) seven (7) days following Subtenant's receipt of notice from Sublandlord; or (b) three (3) days prior to the time required of Sublandlord by Overlandlord for the cure thereof. For all monetary defaults hereunder or under the Overlease for which Subtenant is responsible and for which Subtenant has received notice regarding such default, Subtenant shall cure such condition on or prior to three (3) days following receipt of notice. Sublandlord shall have all of the rights of the Overlandlord under the Overlease as against Subtenant and, as between the parties hereto, Subtenant agrees to observe and perform all of the terms, covenants and conditions on Sublandlord's part to be observed and performed under the Overlease to the extent incorporated herein. Any right of Overlandlord of access or inspection and any right of Overlandlord to do work in the Lease Premises demised under the Overlease or in the Science Building and any right of Overlandlord in respect of changing the name and/or address of the Science Building and any right of Overlandlord in respect of rules and regulations shall be deemed to inure to the benefit of Sublandlord, Overlandlord, and any other person intended to be benefited by said provision, for the purpose of incorporation by reference in this Sublease. Sublandlord hereby agrees that without first obtaining Subtenant's written consent thereto, Sublandlord shall not enter into any modification of the Overlease or breach, default or fail to perform any obligation of Sublandlord under the Overlease (except for such obligations assumed by Subtenant hereunder or for which Sublandlord has otherwise been relieved of responsibility pursuant to this Sublease) which would result in a change in the rights, obligations and liabilities of, and/or services provided to Subtenant hereunder, or any termination of the Overlease.

(b) The following provisions of the Overlease are expressly not incorporated into this Sublease: Section 1.2, the first sentence of the second paragraph of Section 1.3(b) (only commencing with "other than to" until the end of the sentence), the last sentence of Section 1.5, Section 2.2, Section 3, the second sentence of Section 5.3, Section 7.6, the second sentence of Section 9.2 (provided, however, that, at Subtenant's request, Sublandlord shall request the back-up documentation described in Section 9.2 from Overlandlord), Section 9.5, the first sentence of Section 9.6, Section 9.7, Section 10.2, Section 13.1, Section 13.3 the second sentence of Section 13.6, Section 13.7, Section 14.7, Section 15.1, Section 15.2(b), any right of Subtenant to terminate this Sublease that would arise out of the incorporation of Section 15.2(c), the last sentence of Section 19.1, Section 20.4, Section 20.9, Section 21.3, Section 21.1(a), Section 21.1(b), Section 22.1, Section 25.3, the first sentence of Section 25.9, any provision of Section 25.9 that would limit Subtenant's liability for consequential or incidental damages or for lost profits in connection with this Sublease to the extent that Subtenant may be liable for consequential or incidental damages or for lost profits pursuant to the express terms of the Overlease (as incorporated herein by reference) or this Sublease, Exhibit 3, Exhibit 5, Exhibit 7, Exhibit 11 and Exhibit 12. Any references to "Base Rent" in the included provisions are for definitional purposes only and nothing contained herein shall obligate Subtenant to pay both the Base Rent as under the Overlease documents, and as required in this Sublease. Subtenant acknowledges that it has reviewed the Overlease attached hereto and made a part hereof as Exhibit B, and that it is familiar with the contents thereof.

(c) Subtenant covenants and agrees that it shall neither do nor permit anything to be done which would cause a default under the Overlease, or termination or forfeiture by reason of any right of termination or forfeiture, reserved or vested in the Overlandlord under the Overlease, and Subtenant shall indemnify, defend and hold Sublandlord harmless from and against all claims of any kind whatsoever by reason of breach or default on the part of Subtenant, or termination or forfeiture which is the consequence of any such breach or default.

(d) Notwithstanding anything to the contrary set forth in Section 4.4 of the Overlease, as incorporated herein by reference, Sublandlord shall use commercially reasonable efforts to afford Subtenant the benefit of any MWRA Permit previously secured by Overlandlord or Sublandlord in connection with the Lease Premises to the fullest extent permitted by applicable law; provided, however, that Subtenant shall, on and after February 1, 2018 and for the duration of the Term, be required to obtain and maintain an MWRA Permit with respect to the Sublease Premises issued to Subtenant.

11. Tenant's Work and Allowance. Subtenant shall promptly develop plans for completion of the Tenant's Work ("Subtenant's Plans"), as more particularly described in Exhibit 3 of the Overlease, and shall, on or before April 30, 2017, submit Subtenant's Plans to Sublandlord for its consent ("Sublandlord's Consent"), which may be withheld in Sublandlord's sole and absolute discretion, and to Overlandlord for its consent in accordance with the Overlease. Subject to receipt of Sublandlord's Consent, prior to February 1, 2018, Subtenant shall perform to completion the Tenant's Work in accordance with the Overlease and Subtenant's Plans (as approved by Sub landlord). Subtenant acknowledges that its failure to complete Subtenant's Plans prior to February 1,2018, will result in Subtenant's and Sublandlord's forfeiture of their rights to use the Allowance, whether set forth in the Overlease or in this Sublease. Sublandlord's sole obligations in connection with completion of the Tenant's Work shall be to, following Subtenant's request and following Subtenant's submission of a Requisition to Sublandlord and Overlandlord and completion of any and all other prerequisites to Sublandlord's receiving any disbursement of the Allowance set forth in Exhibit 3 to the Overlease, (i) exercise its right to receive the portion of the Allowance corresponding to such Requisition, and (ii) assign to Subtenant for the purpose of completing the Tenant's Work such portion of the Allowance as Sublandlord receives from Overlandlord. Sublandlord shall have the right, from time to time and upon reasonable notice to Subtenant, to enter into the Sublease Premises for the purposes of inspecting the Tenant's Work and evaluating whether Subtenant is performing the Tenant's Work in accordance with its obligations set forth herein and in the Overlease; provided, however, that Sublandlord shall not unreasonably interfere with Subtenant's business or performance of the Tenant's Work when undertaking such inspections and evaluations.

12. Letter of Credit. Within five (5) business days after Subtenant and Sublandlord's receipt of Overlandlord's consent to this Sublease as set forth in Paragraph 25, Subtenant shall deliver a letter of credit to the Sublandlord on the same terms and conditions set forth in Section 7 of the Overlease; provided, however, that (i) such letter of credit delivered by Subtenant pursuant to this Sublease shall be in the amount of One Hundred Twelve Thousand Forty-Six and 92/100 Dollars ($112,046.92) for the duration of the Term, (ii) shall name Sublandlord as the beneficiary, and (iii) notwithstanding anything in Section of the Overlease (as incorporated herein by reference) to the contrary, Subtenant shall not have any right to deliver to Sublandlord cash as a security deposit in satisfaction of its obligations set forth in this paragraph 12.

13. Overlandlord's Services and Obligations under the Overlease. Notwithstanding anything in this Sublease to the contrary, Subtenant agrees that Sublandlord shall not be obligated to furnish for Subtenant any services of any nature whatsoever, including, without limitation, climate control, elevator service, cleaning services, security, electrical energy and miscellaneous power services, water and other public utilities and construction of any improvements at the Sublease Premises, or to perform any of Overlandlord's obligations under the Overlease. Should Overlandlord default on Overlandlord's obligations as under the Overlease, any recovery obtained against Overlandlord in connection with Overlandlord's default under the Overlease or any abatement, credit, set-off or offset, to the extent it relates to an obligation of Overlandlord accruing during the Term (but not before or after) which is, by the provisions of this Sublease, intended to benefit Tenant and/or the Sublease Premises, shall be the property of Subtenant and Subtenant shall have the right to any such abatement, credit, set-off or offset to the extent paid over to Sublandlord by Overlandlord. If at any time during the Term Overlandlord shall default in any of its obligations under the Overlease to furnish facilities, services or utilities or to make repairs to the Sublease Premises, then, upon Sublandlord's receipt of written notice from Subtenant specifying such default, Sublandlord shall, at Subtenant's sole cost and expense, use its reasonable efforts to cause Overlandlord to cure such default. Upon the written request of Subtenant, Sublandlord shall make a written demand upon Overlandlord to fulfill its obligations under the Overlease, which shall constitute reasonable efforts to cause Overlandlord to cure such default. If following the making of such demand and the expiration of any grace period expressly granted to Overlandlord under the Overlease, if any, Overlandlord shall fail to perform its obligations under the Overlease, then Subtenant shall have the right to require Sublandlord to bring an action or proceeding against Overlandlord to enforce such rights; provided, however, any action or proceeding instituted by Sublandlord against Overlandlord to enforce such rights shall be conducted solely at the expense of Subtenant which expenses shall be payable in advance upon account and subject to Subtenant's prior written approval, and Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all costs arising out of or in connection with such action or proceeding.

14. Sublandlord's Approval of the Subtenant's Alterations and Improvements. Notwithstanding anything to the contrary set forth in the Overlease as incorporated herein by reference, except as otherwise explicitly set forth herein, Subtenant shall not make any alterations, installments, removals, additions or improvements to any part of the Sublease Premises without Sublandlord's consent, which may be withheld in Sublandlord's sole and absolute discretion, whether or not Overlandlord has granted its approval. Nothing in this Sublease shall be construed as an agreement that Sublandlord has any obligation to perform any alterations, installments, removals, additions or improvements for Subtenant whatsoever.

15. Assigning and Subletting. Subtenant covenants and agrees that neither this Sublease nor the Term hereof and leasehold hereby granted, nor any interest herein or therein, will be assigned, mortgaged, pledged, encumbered or otherwise transferred, voluntarily, by operation of law or otherwise, and that neither the Sublease Premises, nor any part thereof will be encumbered in any manner by reason of any act or omission on the part of Subtenant, or used or occupied, or permitted to be used or occupied, or utilized for desk space or for mailing privileges, by anyone other than Subtenant, or for any use or purposes other than as permitted hereunder, or be sublet or offered or advertised for subletting (any of the foregoing transfers set forth in this paragraph 15, a "Transfer"! without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion, and Overlandlord, in each instance. A transfer or series of transfers whereby fifty percent (50%) or more of the equity interests of Subtenant are, or voting control is, transferred from a person or persons or entity or entities which were owners thereof upon the date hereof to persons or entities who were not owners of such equity interests of Subtenant upon the date hereof shall constitute a Transfer-requiring Sublandlord's consent as set forth in this paragraph 15.

16. Notice. Any and all communications delivered hereunder shall be in writing and delivered or served in accordance with Section 24 of the Overlease addressed as follows: if to Overlandlord: as provided in the Overlease; if to Sublandlord: Horizon Discovery Inc., 8100 Cambridge Research Park, Waterbeach, Cambridge, CB25 9TL, United Kingdom, Attention: Corporate Counsel; and if to Subtenant: Compass Therapeutics LLC, 245 First Street, Third Floor, Cambridge, MA 02142, Attention: Errik B. Anderson, COO and President, with a copy to Foley Hoag LLP, 155 Seaport Boulevard, Boston, Massachusetts 02210, Attn: Robert L. Birnbaum, Esq., or to such other address and attention as any of the above shall notify the others in writing.

17. Successors and Assigns. This Sublease and everything herein contained shall extend to and bind and inure to the benefit of Sublandlord and its successors and assigns and Subtenant and its heirs, executors, administrators and permitted successors and assigns. No rights shall inure to the benefit of any assignee, subtenant or occupant unless the provisions of Section 13 of the Overlease and paragraph 15 of this Sublease are complied with.

18. Miscellaneous. Neither Sublandlord nor any agent or representative of Sublandlord has made or is making, and Subtenant in executing and delivering this Sublease is not relying upon, any warranties, representations, promises or statements whatsoever, except to the extent expressly set forth in this Sublease. All understandings and agreements, if any, heretofore had between the parties are merged into this Sublease, which alone fully and completely expresses the agreement of the parties. No surrender of possession of the Sublease Premises or of any part thereof or of any remainder of the term of this Sublease shall release Subtenant from any of its obligations hereunder unless accepted by Sublandlord in writing. The receipt and retention by Sublandlord of Rent from anyone other than Subtenant shall not be deemed a waiver of the breach by Subtenant of any covenant, agreement, term or provision of this Sublease, or as the acceptance of such other person as a tenant, or as a release of Subtenant from the covenants, agreements, terms, provisions and conditions herein contained. The receipt and retention by Sublandlord of Rent with knowledge of the breach of any covenant, agreement, term, provision or condition herein contained shall not be deemed a waiver of such breach. This Sublease shall be governed by, and construed in accordance with the laws of the Commonwealth of Massachusetts. This Sublease may not be extended, renewed, terminated (except as specifically provided in this Sublease), or otherwise modified except by an instrument in writing signed by the parties hereto and upon receipt of written consent of Overlandlord.

19. Quiet Enjoyment. So long as Subtenant is not in default (beyond any applicable notice and cure period) under this Sublease, its quiet enjoyment of the Sublease Premises shall not be disturbed or interfered with by Sublandlord or anyone claiming by, through or under Sublandlord.

20. Sublandlord's and Overlandlord's Consent. Whenever Sublandlord's consent is required under this Sublease, Sublandlord's rejection of a request made by Subtenant shall not be deemed unreasonable, in any case, if such rejection is based on Overlandlord's rejection of such request.

21. Brokers. Sublandlord and Subtenant each hereby represent and warrant that it has not dealt with any broker in connection with this Sublease for the Sublease Premises. Each party shall indemnify the other against any cost or liability resulting from the indemnifying party's breach of the foregoing representation and warranty.

22. Limitation of Damages. No officer, director, employee or other related party of Sublandlord and no officer, director, employee or other related party of Subtenant shall be personally liable for any judgment or deficiency hereunder. In no event shall Sublandlord be liable to Subtenant for any lost profit, damage to or loss of business or any form of special, indirect or consequential damage hereunder. In no event shall Subtenant be liable to Sublandlord for any lost profit, damage to or loss of business or any form of special, indirect or consequential damage hereunder. Before filing suit for an alleged default by Sublandlord, Subtenant shall give Sublandlord and the Mortgagee(s) whom Subtenant has been notified hold mortgages, notice and reasonable time to cure the alleged default. Without limiting the foregoing, in no event shall Sublandlord or any Mortgagees or Sublandlord related parties ever be liable for any consequential or incidental damages or any lost profits of Subtenant.

23. Signage. Subject to the consent of Overlandlord, during the Term, Subtenant shall be allowed to list its name or logo on all listings currently listing the name or logo of Sub landlord (including, without limitation, the Monument Sign), at Subtenant's sole cost and expense; provided, however, that Sublandlord shall bear the cost of restoring Sublandlord's name and logo at the end of the Term.

24. Sublandlord Representations and Warranties. Sublandlord hereby represents and warrants to Subtenant that: (i) the Overlease is in full force and effect; (ii) the copy of the Overlease delivered to Subtenant by Sublandlord and attached hereto as Exhibit B is a true, correct and complete copy of the Overlease, and the Overlease has not been amended or otherwise modified; (iii) Sublandlord has not entered into any other contracts assigning or subleasing to any other party its rights with respect to the Premises; and (iv) Sublandlord has not received any notice of any default by the Sublandlord under the Overlease, which default remains uncured.

25. Overlandlord Consent. This Sublease is subject to the approval of the Overlandlord pursuant to the Overlease Following the execution and delivery hereof, Sublandlord will promptly submit this Sublease to Overlandlord for such consent. If such consent is not received by Sublandlord within sixty (60) days after the date hereof, Sublandlord shall promptly notify Subtenant of that fact, whereupon either Sublandlord or Subtenant may by written notice given within five (5) days of Sublandlord's notice, cancel this Sublease by notice to the other and, if such consent has not been received prior to the cancellation date specified in such notice, this Sublease and the Term shall terminate and expire on the cancellation date set forth in said notice, and neither party shall have any further obligation or liability to the other party. The Overlandlord's consent must include the modification of the Overlease such that Subtenant shall have the benefit of all of paragraph 3, paragraph 4, paragraph 5, paragraph 10(d), paragraph 11 and paragraph 20 hereof, and Section 9.6, Section 10.2 and Section 14.5 of the Overlease and must be otherwise reasonably satisfactory in form and substance to Sublandlord and Subtenant.

[*Signatures on the following page; remainder of page left intentionally blank*]

IN WITNESS WHEREOF, Sublandlord and Subtenant have duly executed this Sublease, as an instrument under seal, as of the day and year first above written.

SUBLANDLORD:

HORIZON DISCOVERY INC.

By: /s/ Jeb Ledell
Name: Jeb Ledell
Title: COO

SUBTENANT:

COMPASS THERAPEUTICS LLC

By: /s/ Errik Anderson
Name: Errik Anderson
Title: President + COO

[Signature Page to Sublease]

EXHIBIT A

FF&E

Furniture:

LOCATION	AREA	ASSET NO. OR SERIAL	DESCRIPTION (Fixture, fitting or equipment description)
Office	Cubes	1 though 5	6,x6, cube with 6,x6, L desk top, overhead cabinets, 1 rolling 2 drawer cab
Office	Cubes	6-14, 16-19, 21, 22, 25-28, 30, 31	5'x6' cube with 5' desktop and built in cabinets and drawers, 1 rolling 2 drawer cabinet
Office	Cubes	20,29	5'7'6" cube with 6'x5' L desktop and built in cabinets and drawers, and 1 rolling 2 drawer cabinet
Office	Cubes	23, 32	9'x6' cube with 6' desktop, built in cabinets and drawers and 1 4 drawer file cabinet
Office	Cubes	24, 15	12' desktop, shared, 1 rolling 2 drawer cabinet
Office	Cubes	33-40	7'x9' cube with 7'x9' L desktop, 9' overhead cabinets, 2 rolling 2 drawer cabinets
Office	Cubes	41	7'x9' cube with 7'x9' L desktop, 9' overhead cabinets, 2 rolling 2 drawer cabinets
Office	Offices	301, 2, 5, 7, 8, and 9	6'x6' L desktop, 2 rolling 2 drawer cabinets, 36" overhead cabinets 4'x4' white board
Office	Offices	303	6' desk top, 2 36"x30" 2 drawer cabs, 1 3' diameter table, 3 office chairs
Office	Offices	304	6' desk top, 2 36"x30" 2 drawer cabs, 3 office chairs
Office	Offices	306	5'x8' L desk, 2 6' 4 drawer cabinets, 4'x4' white board, 36" overhead cabinets
Office	Hydrogen Conference room		4 2'x6' tables, 1 3'x4' table, 1 lecturn, 1 pull down projector screen, 1 NEC NP1200 projector, 1 auto screen
Office	Sodium Conference room		1 3'x4' table, 1 wall mount monitor, Samsung LN46C530F1FXZA
Office	Oxygen Conference room		1 6'x2' table, 1 wall mount monitor, Samsung LN46C530F1FXZA
Office	Carbon Conference room		1 3'x8' table, 1 Jabra speaker, 1 wall mount monitor, Samsung LN46C530F1FXZA

Office	Calcium Conference Room	1 12'3' table, 1 pull down projector screen, 1 Sanyo ProXtra projector, 1 wall mount monitor, Samsung LN46C530F1FXZA, 1 4'x8' white board
Office	Common areas	5 4 drawer file cabinets, 1 Canon !PF8100 wide format printer, 1 Galanz dorm fridge, 2 HP 4700N laser printers
Office	Common areas	22' of wall cabinets, 22' base cabinets, 22' solid surface counter tops
Office	Kitchen	1 KitchenAid SS french door fridge, 1 KitchenAid SS dishwasher, 1 KitchenAid SS undercabinet fridge
Office	Kitchen	2 4 slice toasters, 2 Keurig brewers, 2 microwaves, 1 Samsung LN46C530F1FXZA
Office	Kitchen	5 4' diameter café tables, 20 café chairs, 44' overhead cabinets, 24' base cabinets, 38' solid surface countertop
Storage	Back area	10 rolling 2 drawer cabs, 40' desk top, 2 3' diameter tables, 8 carol dividers, 12 desk chairs, 6 36" file cabs, 2 48" cabs, 1 6' cab
Office	Server room	5 racks, 3 36" 2 drawer cabinets, 1 UPS
Lab	Main Lab	162' of counter top, 162' of base cabinet, 100' of overhead shelving
Lab	Main Lab	4 lab sinks, 3 hand sinks
Lab	TC suites	30' counter top, 30' of base cabinet, 30' of wall mounted shelving
Lab	TC suites	2 lab sinks
Lab	Main Lab	5 tables at 30"x60", 4 tables at 3'x4', 3 tables at 30"x48"
Lab	Back Lab	150' of countertop, 150' of base cabinet, 50' head shelving
Lab	Back Lab	4 lab sinks, 1 hand sink

Equipment:

Fixture	Description	Manufacturer	Model Number	Serial Number	Location
MAN	CO2 Manifold	Concoa	5395002-01-001	14COV7F3	Tank Room
Cold room	Compressor	Russell	RLS300H22-E	W06L36256001001	6th floor roof
Cold room	Condenser	Russell	RLS300H22-E	W06L36256001001	Cold room
Server room AC#1	Condenser	Mitsubishi	PUY-A36NHA4	35U11012C	4th floor roof
Server room AC#1	Heat Pump	Mitsubishi	PKA-A36KA4	36M 0 1955	Server room
Server room AC #2	Condenser	Sanyo	C3672R	0007411	4th floor roof
Server room AC #2	Server room AC	Sanyo	KHS3672R	59672	Server room
Autoclave	Autoclave	Tutenauer			MLC
Exhaust	Office exhaust	New York Blower	General purpose fan	B00074 100	4th floor roof
Exhaust	Lab exhaust	Strobic	TS3L250C12	8777	6th floor roof
Generator	OSP generator	Kohler	125RZG	2085096	4th floor roof
Ice maker	Ice Maker	Scottsman	AFE424A-1A	1.20713E+13	RM 348
Fume Hood	Hood	Kewaunee	H05	329-1	MLC
Fume Hood	Hood	Kewaunee			
RO	Under cab	Quench	10 L		MLN
RO	Under cab	Quench	10L		MLS
RO	Under cab	Quench	10L		Kitchen
Local alarm	CO2 sensor				Gas room
Local alarm	02 sensor				Gas room
ATS	ATS				Electric room
BMS	ENE				Server room
Dishwasher		Kitchenaid			Kitchen
Protected water heater					Mechanical room
Domestic water heater					Mechanical room
Air dryer					Mechanical room
Lighting control panel					Electric room
Gas manifold					Old tank room
Gas manifold					Old tank room
Gas manifold					Old tank room
APCUPS	025	UPS	APC	SUVTF30KB4F	PS0603145027

EXHIBIT B

OVERLEASE

[Signature Page to Sublease]

EXECUTION VERSION

THE CAMBRIDGE SCIENCE CENTER
245 FIRST STREET
CAMBRIDGE, MASSACHUSETTS 02142

LEASE SUMMARY SHEET

Execution Date:	November 9, 2015
Tenant:	**Horizon Discovery Inc.,** a Delaware corporation
Tenant Parties:	Tenant and its agents, employees, contractors, representatives or affiliates.
Tenant's Mailing Address Prior to Occupancy:	245 First Street Cambridge, MA 02142 Attn: Jeb Ledell, COO
Landlord:	**Jamestown Premier 245 First, LLC,** a Delaware limited liability company
Landlord Parties:	Landlord and its agents, employees, contractors, representatives or affiliates.
Guarantor:	**Horizon Discovery Group, PLC,** a United Kingdom corporation. Concurrent with Tenant's execution and delivery of this Lease, Tenant shall cause Guarantor, if any, to execute and deliver a guaranty in favor of Landlord on the form attached hereto as Exhibit 12.
Buildings:	The two buildings located at 245 First Street, Cambridge, Massachusetts 02142, and commonly known as the "Cambridge Science Center", with the first building being the science building (the "**Building**" or the "**Science Building**") and the second building being the office building (the "**Office Building**"). "**Rentable Square Footage of the Buildings**" is deemed to be **297,632** square feet. "**Rentable Square Footage of the Science Building**" is deemed to be **132,928** square feet, and "**Rentable Square Footage of the Office Building**" is deemed to be **164,704** square feet. The land on which the Buildings are located (the "**Land**") is more particularly described in Exhibit 2 attached hereto and made a part hereof (such Land, together with the Buildings, are hereinafter collectively referred to as the "**Property**").

Premises:	Approximately 22,581 rentable square feet of space on the third (3rd) floor of the Science Building, as more particularly shown as cross-hatched on the plan attached hereto as Exhibit 1 and made a part hereof (the "**Lease Plan**"). Such space is sometimes referred to herein as the "**Principal Premises**". A portion of the Principal Premises is used for laboratory purposes and a portion of the Principal Premises is used for office use.	
Storage Premises;	Approximately 4,339 rentable square feet of storage space on the third (3rd) floor of the Science Building, as more particularly shown as cross-hatched on the attached Lease Plan.	
PH System Premises:	Approximately 160 rentable square feet of space on the first floor of the Science Building. The PH System Premises are located in a larger area ("**PH System Room**"), as shown on Exhibit 1-1, attached hereto and incorporated herein. The PH System Room contains the PH systems of other tenants, including Tenant.	
Term Commencement Date;	February 1,2017.	
Rent Commencement Date:	February 1, 2017.	
Expiration Date;	January 31,2024.	
Permitted Uses:	Office Portion of the Principal Premises:	Subject to Legal Requirements, general office and administrative use.
	Lab Portion of the Principal Premises	Subject to Legal Requirements, research, development and laboratory use, and other ancillary uses related to all the foregoing, In addition, notwithstanding Section 11 of the Rules and Regulations set forth on Exhibit 8. Tenant may, subject to Section 4.6, use the lab portion of the Principal Premises for the keeping of laboratory animals - such as, but without limitation, mice, rats, rabbits, and guinea pigs.
	Storage Premises:	Subject to Legal Requirements, storage of business related items and materials used in with respect to Tenant's business in the Premises.

PH System Premises: Subject to Legal Requirements, the operation and maintenance of an Acid Neutralization Tank in accordance with Section 4.3

Base Rent (Premises)	Period	Annual Rate Per Square Foot	Monthly Base Rent
	2/1/17-1/31/18	$ 68.00	$ 127,959.00
	2/1/18-1/31/19	$ 70.04	$ 131,797.77
	2/1/19-1/31/20	$ 72.14	$ 135,749.45
	2/1/20-1/31/21	$ 74.30	$ 139,814.03
	2/1/21-1/31/22	$ 76.53	$ 144,010.33
	2/1/22-1/31/23	$ 78.83	$ 148,338.35
	2/1/23-1/31/24	$ 81.19	$ 152,779.28
Base Rent (Storage Premises):			
	2/1/17-1/31/18	$ 15.00	$ 5,423.75
	2/1/18-1/31/19	$ 15.00	$ 5,423.75
	2/1/19-1/31/20	$ 15.00	$ 5,423.75
	2/1/20-1/31/21	$ 17.00	$ 6,146.92
	2/1/21-1/31/22	$ 17.00	$ 6,146.92
	2/1/22- 1/31/23	$ 17.00	$ 6,146.92
	2/1/23-1/31/24	$ 17.00	$ 6,146.92
Base Rent (PH System Premises):			
	2/1/17-1/31/18	$ 68.00	$ 906.67
	2/1/18-1/31/19	$ 70.04	$ 933.87
	2/1/19-1/31/20	$ 72.14	$ 961.87
	2/1/20-1/31/21	$ 74.30	$ 990.67
	2/1/21-1/31/22	$ 76.53	$ 1,020.40
	2/1/22-1/31/23	$ 78.83	$ 1,051.07
	2/1/23-1/31/24	$ 81.19	$ 1,082.53

Operating Costs: Not Applicable

Taxes: See Section 5.3

Tenant's Building Share: A fraction, the numerator of which is the rentable area of the Principal Premises and the denominator of which of which is the Rentable Square Footage of the Science Building (i.e., 16.99% as of the Execution Date)

Tenant's Share:	A fraction, the numerator of which is the rentable area of the Principal Premises and the denominator of which of which is the Rentable Square Footage of the Buildings (i.e., 7.59% as of the Execution Date)
Security Deposit/ Letter of Credit:	$560,234.61, subject to reduction as set forth in Section 7 hereof.
Allowances:	$338,715.00

EXHIBIT 1	LEASE PLAN
EXHIBIT 1-1	PH SYSTEM PREMISES PLAN
EXHIBIT 1-2	MATTERS OF RECORD
EXHIBIT 2	LEGAL DESCRIPTION
EXHIBIT 3	TENANT'S WORK
EXHIBIT 4	INTENTIONALLY OMITTED
EXHIBIT 5	FORM OF LETTER OF CREDIT
EXHIBIT 6	INTENTIONALLY OMITTED
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EXECUTION VERSION

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THIS INDENTURE OF LEASE (this "**Lease**") is hereby made and entered into on the Execution Date by and between Landlord and Tenant,

Each reference in this Lease to any of the terms and titles contained in any Exhibit attached to this Lease shall be deemed and construed to incorporate the data stated under that term or title in such Exhibit. AH capitalized terms not otherwise defined herein shall have the meanings ascribed to them as set forth in the Lease Summary Sheet which is attached hereto and incorporated herein by reference.

1. LEASE GRANT; TERM; APPURTENANT RIGHTS; EXCLUSIONS

1.1 Lease Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises upon and subject to terms and conditions of this Lease, for a term of years commencing on the Term Commencement Date and, unless earlier terminated pursuant to the terms hereof, ending on the Expiration Date (the "**Initial Term**"; the Initial Term and any duly exercised Extension Terms are hereinafter collectively referred to as the "**Term**").

1.2 Extension Term.

(a) Provided that the following conditions, which may be waived by Landlord in its sole discretion, are satisfied (i) Tenant, an Affiliated Entity (hereinafter defined) and/or a Successor (hereinafter defined) is/are then occupying one hundred percent (100%) of the Premises; and (ii) no Event of Default nor an event which with the passage of time and/or the giving of notice would constitute an Event of Default has occurred (A) as of the date of the Extension Notice (hereinafter defined) and (B) at the commencement of the Extension Term (hereinafter defined), Tenant shall have the option to extend the Term for one (1) additional term of five (5) years (the "**Extension Term**"), commencing as of February 1,2024 and expiring as of January 31, 2029. Tenant must exercise such option to extend, if at all, by giving Landlord written notice (the "**Extension Notice**") on or before February 1, 2023, *time being of the essence.* Upon the timely giving of such notice, the Term shall be deemed extended upon all of the terms and conditions of this Lease, except that Base Rent during the Extension Term shall be calculated in accordance with this Section 1.2 below, Landlord shall have no obligation to construct or renovate the Premises and Tenant shall have no further right to extend the Term, If Tenant fails to give timely notice, as aforesaid, Tenant shall have no further right to extend the Term. Notwithstanding the fact that Tenant's proper and timely exercise of such option to extend the Term shall be self-executing, the parties shall promptly execute a lease amendment confirming such Extension Term after Tenant exercises such option. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under this Section 1.2.

(b) The Base Rent during the Extension Term (the "**Extension Term Base Rent**") shall be determined in accordance with the process described hereafter. Extension Term Base Rent shall be the fair market rental value of the Premises then demised to Tenant as of the commencement of the Extension Term as determined in accordance with the process described below, for renewals of combination laboratory and office space in the vicinity of equivalent quality, size, utility and location, with the length of the Extension Term, the credit standing of Tenant, the condition of the Property, Premises, Storage Premises and PH System Premises, and all other relevant factors to be taken into account, Within thirty (30) days after receipt of the Extension Notice, Landlord shall deliver to Tenant written notice of its determination of the Extension Term Base Rent for the Extension Term. Tenant shall, within thirty (30) days after receipt of such notice, notify Landlord in writing whether Tenant accepts or rejects Landlord's determination of the Extension Term Base Rent ("**Tenant's Response Notice**"). If Tenant fails timely to deliver Tenant's Response Notice, Landlord's determination of the Extension Term Base Rent shall be binding on Tenant,

(c) If and only if Tenant's Response Notice is timely delivered to Landlord and indicates both that Tenant rejects Landlord's determination of the Extension Term Base Rent and desires to submit the matter to arbitration, then the Extension Term Base Rent shall be determined in accordance with the procedure set forth in this Section 1.2(c). In such event, within ten (10) days after receipt by Landlord of Tenant's Response Notice indicating Tenant's desire to submit the determination of the Extension Term Base Rent to arbitration, Tenant and Landlord shall each notify the other, in writing, of their respective selections of an appraiser (respectively, "**Landlord's Appraiser**" and "**Tenant's Appraiser**"). Landlord's Appraiser and Tenant's Appraiser shall then jointly select a third appraiser (the "**Third Appraiser**") within ten (10) days of their appointment. All of the appraisers selected shall be individuals with at least five (5) consecutive years' commercial appraisal experience in the area in which the Premises are located, shall be members of the Appraisal Institute (M.A.I.), and, in the case of the Third Appraiser, shall not have acted in any capacity for either Landlord or Tenant or any affiliate of Landlord or Tenant within five (5) years of his or her selection. The three appraisers shall determine the Extension Term Base Rent in accordance with the requirements and criteria set forth in Section 1.2(b) above, employing the method commonly known as "Baseball Arbitration", whereby Landlord's Appraiser and Tenant's Appraiser each sets forth its determination of the Extension Term Base Rent as defined above, and the Third Appraiser must select one or the other (it being understood that the Third Appraiser shall be expressly prohibited from selecting a compromise figure). Landlord's Appraiser and Tenant's Appraiser shall deliver their determinations of the Extension Term Base Rent to the Third Appraiser within five (5) days of the appointment of the Third Appraiser and the Third Appraiser shall render his or her decision within ten (10) days after receipt of both of the other two determinations of the Extension Term Base Rent. The Third Appraiser's decision shall be binding on both Landlord and Tenant. Each party shall bear the cost of its own appraiser and the cost of the Third Appraiser shall be paid by the party whose determination is not selected.

1.3 Appurtenant Rights.

(a) Common Areas. Subject to the terms of this Lease and the Rules and Regulations (hereinafter defined), Tenant shall have, as appurtenant to the Premises, rights to use in common with others entitled thereto the following areas (such areas are hereinafter referred to as the "**Common Areas**"): (i) the common freight elevators, loading docks and hallways of the Buildings serving the Premises, (ii) common walkways and driveways necessary for access to the Buildings, (iii) the common areas of the PH System Room, as shown on Exhibit 1-1 for the purposes of access and egress to Tenant's PH System Premises, and (iv) other areas and facilities designated by Landlord from time to time for the common use of tenants of the Building; and no other appurtenant rights or easements.

(b) Parking. During the Term, Landlord shall, subject to the terms hereof, make available up to twenty (20) parking spaces for Tenant's use in the parking garage attached to the Buildings: (i) 17 unreserved parking spaces, and (ii) 3 reserved parking spaces, The number of parking spaces in the garage used by Tenant are hereinafter referred to as the "**Parking Spaces**." Subject to Landlord's right to reserve parking spaces for other tenants in the Building, use of unreserved Parking Spaces shall be on an unassigned, first-come, first served basis. While said reserved Parking Spaces shall be marked to identify Tenant, Landlord shall have no obligation to police the use of said reserved spaces. Tenant shall pay for such unreserved Parking Spaces and reserved Parking Spaces at the prevailing monthly rates from time to time charged by the operator or operators of the Garage, whether or not such operator is an affiliate of Landlord, for unreserved and reserved Parking Spaces, as the case may be. As of the date of this Lease, the current monthly rate for unreserved spaces is $280.00 per unreserved space per month, and the current monthly rate for reserved spaces is $340.00 per reserved space per month, Such monthly parking charges for Parking Spaces shall constitute Additional Rent and shall be payable monthly as directed by Landlord upon billing therefor by Landlord or such operator. Tenant acknowledges that said monthly charges to be paid under this Section 1.3(b) are for the use by Tenant of the Parking Spaces referred to herein, and not for any other service.

Tenant shall have no right to hypothecate or encumber the Parking Spaces, and shall not sublet, assign, or otherwise transfer the Parking Spaces other than to employees of Tenant occupying the Premises or to a Successor (hereinafter defined), an Affiliated Entity (hereinafter defined) or a transferee pursuant to an approved Transfer under Section 13 of this Lease. Use of said Parking Spaces shall be subject to such reasonable rules and regulations as may be in effect for the general use by Building occupants and visitors of the parking areas from time to time. Reserved and handicap parking spaces must be honored.

(c) Rooftop Premises. During the Term, Tenant shall have the right to use a portion of the rooftop of the Building designated by Landlord (the "**Rooftop Premises**") for the installation of certain equipment approved by Landlord and purchased and installed by, or on behalf of, Tenant in accordance with the terms of this Lease (any equipment installed within the Rooftop Premises, as the same may be modified, altered or replaced during the Term, is collectively referred to herein as "**Tenant's Rooftop Equipment**"). Tenant's Rooftop Equipment may include supplemental HVAC equipment, antennas, satellite dishes, and equipment related thereto. Landlord's approval of such equipment shall not be unreasonably withheld, conditioned or delayed provided Tenant demonstrates to Landlord's reasonable satisfaction that the proposed equipment (i) does not interfere with any base building equipment operated by Landlord on the roof; (ii) will not affect the structural integrity of the Building or negatively impact the roof or the roof membrane in any manner; (iii) shall be adequately screened so as to minimize the visibility of such equipment; and (iv) shall be adequately sound-proofed to meet all requirements of Legal Requirements and Landlord's specified maximum decibel levels for equipment operations. Tenant shall not install or operate Tenant's Rooftop Equipment until Tenant has obtained and submitted to Landlord copies of all required governmental permits, licenses, and authorizations necessary for the installation and operation thereof. In addition, Tenant shall comply with all reasonable construction rules and regulations promulgated by Landlord in connection with the installation, maintenance and operation of Tenant's Rooftop Equipment, Landlord shall have no obligation to provide any services including, without limitation, electric current or gas service, to the Rooftop Premises or to Tenant's Rooftop Equipment. Tenant shall be responsible for the cost of repairing and maintaining Tenant's Rooftop Equipment and the cost of repairing any damage to the Building, or the cost of any necessary improvements to the Building, caused by or as a result of the installation, replacement and/or removal of Tenant's Rooftop Equipment. Landlord makes no warranties or representations to Tenant as to the suitability of the Rooftop Premises for the installation and operation of Tenant's Rooftop Equipment. In the event that at any time during the Term, Landlord determines, in its sole but bona fide and reasonable business judgment, that the operation and/or periodic testing of Tenant's Rooftop Equipment interferes with the operation of the Building or the business operations of any of the occupants of the Building, then Tenant shall, upon notice from Landlord, cause all further testing of Tenant's Rooftop Equipment to occur after normal business hours (hereinafter defined in Section 2.4).

(d) Tenant's Generator.

(1) As of the Execution Date of this Lease, Tenant is using a supplemental generator (the "**Generator**") which can provide emergency additional electrical capacity to the Premises, and Tenant shall have the right to use such Generator during the Term. The Generator is located in the area outlined on Exhibit 10 attached hereto and made a part hereof (the "**Generator Area**"). Tenant shall have the right to use the Generator throughout the Term, subject to the provisions of this Section. Tenant shall be solely responsible for obtaining and maintaining all necessary governmental and regulatory approvals for the operation of the Generator and for the cost of operating, maintaining and removing of the Generator. In addition to, and without limiting Tenant's obligations under this Lease, Tenant shall comply with all applicable environmental and fire prevention laws and Legal Requirements pertaining to Tenant's use of the Generator Area. Tenant shall also be responsible for the cost of all utilities consumed in the operation of the Generator.

(2) Tenant shall be responsible for assuring that the installation, maintenance, operation and removal of the Generator shall in no way damage any portion of the Building or Property. To the maximum extent permitted by the Legal Requirements the Generator and all appurtenances in the Generator Area shall be at the sole risk of Tenant, and Landlord shall have no liability to Tenant if the Generator or any appurtenant installations are damaged for any reason, except, subject to the limitations of Landlord's liability as set forth in this Lease, as the result of the negligence or willful misconduct of any Landlord Parties. Tenant agrees to be responsible for any damage caused to the Building or Property in connection with the installation, maintenance, operation or removal of the Generator, except damage resulting from the negligence or willful misconduct of any of the Landlord Parties, and, in accordance with the terms of Article 14 of the Lease, to indemnify, defend and hold Landlord and the Landlord Parties harmless Rom all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorneys' fees (if and to the extent permitted by Legal Requirements), which may be imposed upon, incurred by, or asserted against Landlord or any of the Landlord Parties in connection with the installation, maintenance, operation or removal of the Generator, including, without limitation, any environmental and hazardous materials claims, except to the extent that such liabilities, obligations, damages, penalties, claims, costs, charges and expenses result from the negligence or willful misconduct of any of the Landlord Parties,

(3) Tenant shall be responsible for the operation, cleanliness, maintenance and removal of the Generator and appurtenances, all of which shall remain the personal property of Tenant, and shall be removed by Tenant at its own expense at the expiration or earlier termination of the Lease. Tenant shall repair any damage caused by such removal, including the patching of any holes to match, as closely as possible, the color surrounding the area where the Generator and appurtenances were attached. Such maintenance and operation shall be performed in a manner to avoid any unreasonable interference with any other tenants or Landlord. Tenant shall take the Generator Area "as is" in the condition in which the Generator Area is in as of the Term Commencement Date under the Lease, without any obligation on the part of Landlord to prepare or construct the Generator Area for Tenant's use or occupancy. Without limiting the foregoing, Landlord makes no warranties or representations to Tenant as to the suitability of the Generator Area for the installation and operation of the Generator. Tenant shall have no right to make any changes, alterations, additions, decorations or other improvements to the Generator Area without Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, provided, however, that with respect to aesthetic matters Landlord may withhold consent in its sole, but bona fide, business judgment. Tenant agrees to maintain the Generator, including without limitation, any enclosure installed around the Generator in good condition and repair. Tenant shall be responsible for performing any maintenance and improvements to any enclosure surrounding the Generator so as to keep such enclosure in good condition.

(4) Tenant, upon prior notice to Landlord and subject to the reasonable rules and regulations enacted by Landlord, shall have access to the Generator and its surrounding area for the purpose of repairing, maintaining and removing said Generator.

(5) Unless otherwise required by Legal Requirements, Tenant shall only test the Generator to ensure proper functioning before or after normal business hours and at a time mutually agreed to in writing by Landlord and Tenant in advance. Tenant shall be permitted to use the Generator Area solely for the maintenance and operation of the Generator, and the Generator and Generator Area are solely for the benefit of Tenant. All electricity generated by the Generator may only be consumed by Tenant in the Premises.

(6) Landlord shall have no obligation to provide any services, including, without limitation, electric current, to the Generator Area.

(7) Tenant shall have no right to sublet the Generator Area or to assign its interest hereunder; provided that Tenant shall have the right to participate in demand response programs and capacity markets offered by the local electric utility, competitive energy retailers, and/or the New England Independent System Operator (ISO-NE).

(8) Notwithstanding anything to the contrary contained herein, if at any time during the Term Landlord determines in its sole but bona fide reasonable business judgment, that the Generator and/or any appurtenances interfere with the operations of the Building or the operations of any of the occupants of the Building, then Tenant shall, upon notice from Landlord, cease any further operation of the Generator, From and after such notice by Landlord, Tenant shall have no further right to operate the Generator unless and until Tenant shall have redesigned and modified the Generator and/or installations in a manner approved by Landlord in the exercise of its reasonable discretion, provided however, that Landlord's approval of such redesign and modification shall constitute the mere permission to operate the Generator, which permission shall in no event be construed to abrogate or diminish Landlord's rights or Tenant's obligations under this Section 1.3(d) or the Lease.

1.4 Tenant's Access. From and after the Term Commencement Date and until the end of the Term, Tenant shall have access to the Premises twenty-four (24) hours a day, seven (7) days a week, subject to Legal Requirements, the Rules and Regulations, the terms of this Lease, and the matters of record listed on Exhibit 1-2. The parties acknowledge that (i) security is provided at a manned security station in the lobby and is staffed twenty-four (24) hours a day, seven (7) days a week and (ii) the Building currently has an electronic card access security system to allow Tenant and its authorized employees access to the Building during non-business hours. Tenant shall comply with all reasonable security measures from time to time established by Landlord for the Building,

1.5 No recording; Notice of Lease. Tenant shall not record this lease or any portion hereof, a memorandum of this Lease and/or a notice of this Lease. Neither party shall record this Lease, but each of the parties hereto agrees to join in the execution, in recordable form, of a statutory notice of lease and/or written declaration in which shall be stated the Term Commencement Date, the Rent Commencement Date, the number and length of the Extension Term(s) and the Expiration Date, which notice of lease may be recorded by Tenant with the Middlesex South Registry of Deeds and/or filed with the Middlesex South Registry District of the Land Court, as appropriate (alternatively and collectively, the "**Registry**") at Tenant's sole cost and expense. If a notice of lease was previously recorded with the Registry, upon the expiration or earlier termination of this Lease, Landlord shall deliver to Tenant a notice of termination of lease and Tenant shall promptly execute, acknowledge, and deliver the same (together with any other instrument(s) that may be necessary in order to record and/or file same with the Registry) to Landlord for Landlord's execution and recordation with the Registry, which obligation shall survive the expiration or earlier termination of the Lease.

1.6 Exclusions. The following are expressly excluded from the Premises and reserved to Landlord; all the perimeter walls of the Premises (except the inner surfaces thereof), the Common Areas, and any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, wires and appurtenant fixtures, fan rooms, ducts, electric or other utilities, sinks or other Building facilities, and the use of all of the foregoing, except as expressly permitted pursuant to Section 1.3(d) above.

2. RIGHTS RESERVED TO LANDLORD

2.1 Additions and Alterations. Landlord reserves the right, at any time and from time to time, to make such changes, alterations, additions, improvements, repairs or replacements in or to the Property (including the Premises but, with respect to the Premises, only for purposes of repairs, maintenance, replacements and the exercise of any other rights expressly reserved to Landlord herein) and the fixtures and equipment therein, as well as in or to the street entrances and/or the Common Areas, as it may deem necessary or desirable, provided, however, that there be no material obstruction of permanent access to, or material interference with the use and enjoyment of, the Premises by Tenant. Subject to the foregoing, Landlord expressly reserves the right to temporarily close all, or any portion, of the Common Areas for the purpose of making repairs or changes thereto.

2.2 Additions to the Property.

(a) Landlord may at any time or from time to time (i) construct additional improvements and related site improvements (collectively, "**Future Development**") in all or any part of the Property and/or (ii) change the location or arrangement of any improvement outside the Building in or on the Property or all or any part of the Common Areas, or add or deduct any land to or from the Property; provided that there shall be no increase in Tenant's obligations other than in a *de minimis* manner or interference with Tenant's rights under this Lease other than in a *de minimis* manner in connection with the exercise of the foregoing reserved rights.

(b) Landlord and Tenant each hereby acknowledges and agrees that, in connection with any Future Development, (i) Landlord shall have the right to subject the Land and the improvements located now or in the future located thereon to a commercial condominium regime ("**Condominium**") on terms and conditions consistent with first class office and laboratory buildings; (ii) upon Landlord's request in connection with the recording of the Master Deed for the Condominium and the Unit Deed for the Building, Tenant shall execute a reasonable instrument in recordable form making this Lease subject and subordinate to the Master Deed and other documents evidencing the Condominium (collectively, the "**Condo Documents**") provided that such Condo Documents continue to provide Tenant with all of the rights and obligations contained in this Lease (e.g. the appurtenant right to use all Common Areas) and the Condo Documents comply with the provisions of this Section 2.2; (iii) Landlord shall have the right to enter into, and subject the Property to the terms and conditions of, a reciprocal easement agreement with any one or more of the neighboring property owners in order to create a commercial campus-like setting ("**REA**") provided that such REA continues to provide Tenant with all of the rights and obligations contained in this Lease as of the Execution Date (e.g. the appurtenant right to use all Common Areas) and the REA complies with the provisions of this Section 2.2; (iv) Landlord shall submit to Tenant for Tenant's approval drafts of the Condo Documents and the REA (and any amendments thereto) prior to their execution; (v) Tenant shall have the right to notify Landlord within twenty (20) days after receipt of the draft Condo Documents and/or REA (or any amendments thereto) of Tenant's objection(s) thereto, but only to the extent such draft(s) (A) materially adversely affect Tenant's use of, or access to, the Premises, (B) materially adversely affect the operation of Tenant's business from the Premises in accordance with the terms of this Lease, or Tenant's rights under and pursuant to the terms of this Lease, including without limitation Tenant's rights with respect to the Common Areas, and/or (C) result in any increase in Tenant's payment or other obligations under this Lease in more than a de minimis manner; (vi) upon Landlord's request in connection with the recording of the REA, Tenant shall execute a commercially reasonable instrument in recordable form making this Lease subject and subordinate to the REA; (vii) Landlord shall have the right to subdivide the Property so long as Tenant continues to have all of the rights and obligations contained in this Lease (e.g. the appurtenant right to use all Common Areas); and (vii) Tenant shall execute such reasonable documents (which may be in recordable form) evidencing the foregoing promptly upon Landlord's request.

(c) In case any excavation shall be made for building or improvements or for any other purpose upon the land adjacent to or near the Premises, Tenant will afford without charge to Landlord, or the person or persons, firms or corporations causing or making such excavation, license to enter upon the Premises for the purpose of doing such work as Landlord or such person or persons, firms or corporation shall deem to be necessary to preserve the walls or structures of the building from injury, and to protect tire building by proper securing of foundations.

2.3 Name and Address of Building. Landlord reserves the right at any time and from time to time to change the name or address of the Building and/or the Property, provided Landlord gives Tenant at least three (3) months' prior written notice thereof.

2.4 Landlord's Access. Subject to the terms hereof, Tenant shall (a) upon as much advance notice as is practical under the circumstances, and in any event at least twenty-four (24) hours' prior written notice (except that no notice shall be required in emergency situations), permit Landlord and any holder of a Mortgage (hereinafter defined) (each such holder, a "**Mortgagee**"), and the agents, representatives, employees and contractors of each of them, to have reasonable access to the Premises at all reasonable hours for the purposes of inspection, making repairs, replacements or improvements in or to the Premises or the Building or equipment therein (including, without limitation, sanitary, electrical, heating, air conditioning or other systems), complying with all applicable laws, ordinances, rules, regulations, statutes, by-laws, court decisions and orders and requirements of all public authorities (collectively, "**Legal Requirements**"), or exercising any right reserved to Landlord under this Lease (including without limitation the right to take upon or through, or to keep and store within the Premises all necessary materials, tools and equipment); (b) permit Landlord and its agents and employees, at reasonable times, upon reasonable advance notice, to show the Premises during "normal business hours" (i.e., Monday - Friday, 8 A.M. - 6 P.M.; Saturday, 8 A.M. - 1 P.M., excluding holidays) to any prospective Mortgagee or purchaser of the Building and/or the Property or of the interest of Landlord therein, and, during the last twelve (12) months of the Term, prospective tenants; and (c) upon reasonable prior written notice from Landlord, permit Landlord and its agents, at Landlord's sole cost and expense, to perform environmental audits, environmental site investigations and environmental site assessments ("**Site Assessments**") in, on, under and at the Premises and the Land, it being understood that Landlord shall repair any damage arising as a result of the Site Assessments, and such Site Assessments may include both above and below the ground testing and such other tests as may be necessary or appropriate to conduct the Site Assessments. In addition, to the extent that it is necessary to enter the Premises in order to access any area that serves any portion of the Building outside the Premises, then Tenant shall, upon as much advance notice as is practical under the circumstances, and in any event at least twenty-four (24) hours' prior written notice (except that no notice shall be required in emergency situations), permit contractors engaged by other occupants of the Building to pass through the Premises in order to access such areas but only if accompanied by a representative of Landlord. The parties agree and acknowledge that, despite reasonable and customary precautions (which Landlord agrees it shall exercise), any property or equipment in the Premises of a delicate, fragile or vulnerable nature may nevertheless be damaged in the course of performing Landlord's obligations. Accordingly, Tenant shall take reasonable protective precautions with unusually fragile, vulnerable or sensitive property and equipment.

2.5 Pipes, Ducts and Conduits. Tenant shall permit Landlord to erect, use, maintain and relocate pipes, ducts and conduits in and through the Premises, provided the same do not materially reduce the floor area or materially adversely affect the appearance thereof.

2.6 Minimize Interference. Except in the event of an emergency, Landlord shall use commercially reasonable efforts to minimize any interference with Tenant's business operations and use and occupancy of the Premises in connection with the exercise any of the foregoing rights under this Section 2.

3. CONDITION OF PREMISES; CONSTRUCTION.

3.1 Condition of Premises. Reference is made to the fact that, as of the Execution Date of this Lease, Tenant is in possession of the Premises under a sublease with Zalicus, Inc., dated June 2, 2014 (the "**Sublease**"). Therefore: (i) Tenant acknowledges that it has inspected the Premises and the Building, and (ii) the Premises are accepted by Tenant in their "**AS IS**," "**WHERE IS**" condition and with all faults on the Execution Date, without any representations or warranties by Landlord, express or implied, in fact or by law, of any kind, and without recourse to Landlord, and Landlord shall have no obligation to prepare the Premises for Tenant's occupancy.

3.2 Tenant's Work. Tenant, at Tenant's sole cost and expense, but subject to Tenant's right to receive the Allowance, shall, if it so elects, perform the work ("**Tenant's Work**") more particularly described in Exhibit 3 attached hereto. The Tenant's Work shall be performed in accordance with the provisions of Article 11 hereof.

3.3 Allowance. Provided Tenant is not then in default, Landlord agrees to contribute up to $338,715.00 (the "**Allowance**") toward the cost of performing the Tenant's Work, in accordance with the terms and conditions set forth in Exhibit 3 of this Lease.

4. USE OF PREMISES

4.1 Permitted Uses. During the Term, Tenant shall use the Premises only for the Permitted Uses and for no other purposes. Service and utility areas (whether or not a part of the Premises) shall be used only for the particular purpose for which they are designed. Tenant shall keep the Premises equipped with appropriate safety appliances to the extent required by Legal Requirements or insurance requirements.

4.2 Prohibited Uses.

(a) Notwithstanding any other provision of this Lease, Tenant shall not use the Premises or the Building, or any part thereof, or suffer or permit the use or occupancy of the Premises or the Building or any part thereof by any of the Tenant Parties (i) in a manner which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or otherwise applicable to or binding upon the Premises; (ii) for any unlawful purposes or in any unlawful manner; (iii) which, in the reasonable judgment of Landlord (taking into account the use of the Building as a combination laboratory, research and development and office building and the Permitted Uses) shall (a) impair the appearance or reputation of the Building; (b) impair, interfere with or otherwise diminish the quality of any of the Building services or the proper and economic heating, cleaning, ventilating, air conditioning or other servicing of the Building or Premises, or the use or occupancy of any of the Common Areas; (c) occasion discomfort, inconvenience or annoyance in any material respect (and Tenant shall not install or use any electrical or other equipment of any kind which, in the reasonable judgment of Landlord, will cause any such impairment, interference, discomfort, inconvenience, annoyance or injury), or cause any injury or damage to any occupants of the Premises or other tenants or occupants of the Building or their property; or (d) cause air emissions not permitted by Legal Requirements, laboratory odors or noises or any unusual or other objectionable odors, noises or emissions to emanate from the Premises; (iv) in a manner which is inconsistent with the operation and/or maintenance of the Building as a first-class combination office, research, development and laboratory facility; (v) for any fermentation processes whatsoever; or (vi) in a manner which shall increase such insurance premiums on the Building or on property located therein over that applicable when Tenant first took occupancy of the Premises hereunder, unless Tenant pays for such increase.

(b) With respect to the use and occupancy of the Premises and the Common Areas, Tenant will not: (i) place or maintain any signage (except as set forth in Section 12.2 below), trash, refuse or other articles in any vestibule or entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises, nor obstruct any driveway, corridor, footwalk, parking area, mall or any other Common Areas; (ii) permit undue accumulations of or burn garbage, trash, rubbish or other refuse within or without the Premises; (iii) permit the parking of vehicles so as to interfere with the use of any driveway, corridor, footwalk, parking area, or other Common Areas; (iv) receive or ship articles of any kind outside of those areas reasonably designated by Landlord; (v) conduct or permit to be conducted any auction, going out of business sale, bankruptcy sale (unless directed by court order), or other similar type sale in or connected with the Premises; (vi) use the name of Landlord, or any of Landlord's affiliates in any publicity, promotion, trailer, press release, advertising, printed, or display materials without Landlord's prior written consent; or (vii) except in connection with Alterations (hereinafter defined) approved by Landlord or the Tenant's Work, cause or permit any hole to be drilled or made in any part of the Building.

4.3 Acid Neutralization Tank. As of the Execution Date, Tenant is using an acid neutralization tank (the "**Acid Neutralization Tank**") that is located in the PH System Premises and connected to the Premises. Tenant shall have the right, throughout the Term of the Lease, to use the Acid Neutralization Tank in accordance with applicable laws. Tenant shall obtain, and maintain, all governmental permits and approvals necessary for the operation and maintenance of the Acid Neutralization Tank. Tenant shall be responsible for al! costs, charges and expenses incurred from time to time in connection with or arising out of the operation, use, maintenance, repair or refurbishment of the Acid Neutralization Tank, including all clean-up costs relating to the Acid Neutralization Tank (collectively, "**Tank Costs**"), except to the extent such costs are caused by the negligence or willful misconduct of any of the Landlord Parties. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims, including (a) diminution in value of the Premises or any portion thereof, (b) damages for the loss or restriction on use of rentable or usable space of the Premises, (c) damages arising from any adverse impact on marketing of space in the Premises or any portion thereof and (d) sums paid in settlement of Claims that arise during or after the Term as a result of Tenant's improper use of the Acid Neutralization Tank, except to the extent such Claims result from the negligence or willful misconduct of any of the Landlord Parties. This indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration required by any governmental authority caused by Tenant's improper use of the Acid Neutralization Tank.

4.4 Chemical Safety Program. Tenant shall establish and maintain a chemical safety program administered by a licensed, qualified individual in accordance with the requirements of the Massachusetts Water Resources Authority ("**MWRA**") and any other applicable governmental authority. Tenant shall be solely responsible for all costs incurred in connection with such chemical safety program, and Tenant shall provide Landlord with such documentation as Landlord may reasonably require evidencing Tenant's compliance with the requirements of (a) the MWRA and any other applicable governmental authority with respect to such chemical safety program and (b) this Section 4,4. Tenant shall provide all such information regarding Tenant's activities in the Premises as may reasonably be necessary in order for Landlord to obtain and maintain during the Term (i) any permit required by the MWRA ("**MWRA Permit**") and (ii) a wastewater treatment operator license from the Commonwealth of Massachusetts with respect to Tenant's use of any acid neutralization tank serving the Building, Tenant shall not introduce anything into the Acid Neutralization Tank serving the Building (x) in violation of the terms of the MWRA Permit, (y) in violation of Legal Requirements or (z) that would interfere with the proper functioning of any such acid neutralization tank.

4.5 Parking and Traffic Demand Management Plan. In the event during the Term of this Lease, the Property becomes subject to a Parking and Traffic Demand Management Plan with the City of Cambridge (as the same may be amended from time to time, the "**PTDM**"), Tenant agrees, at its sole expense, to comply with the requirements of the PTDM, insofar as they apply to the Premises and/or Tenant's use and occupancy thereof.

4.6 Transportation of Animals.

(a) No animals, animal waste, food or supplies relating to the animals maintained from time to time in the animal storage areas of the Premises shall be transported within the Building except as provided in this Section 4.6. All deliveries of animals or animal food or supplies to Tenant at the Building shall be made prior to 11:00 a.m. No transportation of animals, animal waste, food or supplies within the Building shall occur between the hours of 11:00 a.m. and 1:00 p.m. At all times that animals are transported within the Common Areas, they shall be transported in an appropriate cage or other container. At no time shall any animals, animal waste, food or supplies relating to the animals be brought into, transported through, or delivered to the lobby of the Building or be transported within the Building in elevators other than the freight elevator.

(b) Tenant shall be responsible, at its sole expense, for the operations of the vivarium in accordance with all Legal Requirements and with standard industry practices. Without limiting the general application of the foregoing, Tenant shall separately dispose of all waste products from the operation of the vivarium, including, without limitation, dead animals, strictly in accordance with Legal Requirements.

5. RENT; ADDITIONAL RENT

5.1 Base Rent. During the Term, Tenant shall pay to Landlord Base Rent in equal monthly installments, in advance and without demand on the first day of each month for and with respect to such month. Unless otherwise expressly provided herein, the payment of Base Rent and Additional Rent (collectively, "**Rent**") shall commence on the Rent Commencement Date, and shall be prorated for any partial months, Rent shall be payable to Landlord or, if Landlord shall so direct in writing, to Landlord's agent or nominee, in lawful money of the United States which shall be legal tender for payment of all debts and dues, public and private, at the time of payment. All other charges and amounts payable by or due from Tenant to Landlord under this Lease shall be deemed to be "**Additional Rent**".

5.2 Management Fee Rent. Tenant shall pay to Landlord, as Additional Rent, a "**Property Management Fee Rent**" equal to three percent (3%) of each payment of monthly Base Rent due under the Lease. The Property Management Fee Rent shall be paid monthly to Landlord in the same manner and at the same time as the monthly Base Rent.

5.3 Taxes.

(a) "**Taxes**" shall mean the real estate taxes and other taxes, levies and assessments imposed upon the Building and the Land, and upon any personal property of Landlord used in the operation thereof, or on Landlord's interest therein or such personal property; charges, fees and assessments for transit, housing, police, fire or other services or purported benefits to the Building and the Land (including without limitation any community preservation assessments); service or user payments in lieu of taxes; and any and all other taxes, levies, betterments, assessments and charges arising from the ownership, leasing, operation, use or occupancy of the Building and the Land or based upon rentals derived therefrom, which are or shall be imposed by federal, state, county, municipal or other governmental authorities. From and after substantial completion of any occupiable improvements constructed as part of a Future Development, if such improvements are not separately assessed, Landlord shall reasonably allocate Taxes between the Building and such improvements and the land area associated with the same. Taxes shall not include any inheritance, estate, succession, gift, franchise, rental, income or profit tax, capital stock tax, capital levy or excise, or any income taxes arising out of or related to the ownership and operation of the Building and the Land, or similar taxes, fees, duties, charges, assessments, or levies, provided, however, that any of the same and any other tax, excise, fee, levy, charge or assessment, however described, that may in the future be levied or assessed as a substitute for or an addition to, in whole or in part, any tax, levy or assessment which would otherwise constitute Taxes, whether or not now customary or in the contemplation of the parties on the Execution Date of this Lease, shall constitute Taxes, but only to the extent calculated as if the Buildings and the Land were the only real estate owned by Landlord. "Taxes" shall also include reasonable expenses (including without limitation legal and consultant fees) of tax abatement or other proceedings contesting assessments or levies.

(b) "**Tax Period**" shall be any fiscal/tax period in respect of which Taxes are due and payable to the appropriate governmental taxing authority (i.e., as mandated by the governmental taxing authority), any portion of which period occurs during the Term of this Lease,

(c) Payment of Taxes. Tenant shall pay to Landlord, as Additional Rent, Tenant's Building Share of Taxes relating to or allocable to the Building and Tenant's Share of Taxes relating to or allocable to the Land (collectively "**Tax Share**"). Landlord may make a good faith estimate of the Taxes to be due by Tenant for any Tax Period or part thereof during the Term, and Tenant shall pay to Landlord, on the Rent Commencement Date and on the first (1st) day of each calendar month thereafter, an amount equal to Tenant's Share of Taxes for such Tax Period or part thereof divided by the number of months therein. Landlord may estimate and re-estimate Tenant's Share of Taxes and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Tenant's Share of Taxes shall be appropriately adjusted in accordance with the estimations so that, by the end of the Tax Period in question, Tenant shall have paid all of Tenant's Share of Taxes as estimated by Landlord. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Taxes are available for each Tax Period, If the total of such monthly remittances is greater than Tenant's Share of Taxes actually due for such Tax Period, then, provided no Event of Default has occurred nor any event which with the passage of time and/or the giving of notice would constitute an Event of Default, Tenant may credit the difference against the next installment of additional rent on account of Taxes due hereunder, except that if such difference is determined after the end of the Term, Landlord shall refund such difference to Tenant within thirty (30) days after such determination to the extent that such difference exceeds any amounts then due from Tenant to Landlord. If the total of such remittances is less than Tenant's Share of Taxes actually due for such Tax Period, Tenant shall pay the difference to Landlord, as Additional Rent hereunder, within thirty (30) days of Tenant's receipt of an invoice therefor. Landlord's estimate for the next Tax Period shall be based upon actual Taxes for the prior Tax Period plus a reasonable adjustment based upon estimated increases or decreases in Taxes. The provisions of this Section 5.3(c) shall survive the expiration or earlier termination of this Lease.

(d) Effect of Abatements. Appropriate credit against Taxes shall be given for any refund obtained by reason of a reduction in any Taxes by the assessors or the administrative, judicial or other governmental agency responsible therefor after deduction of Landlord's expenditures for reasonable legal fees and for other reasonable expenses incurred in obtaining the Tax refund.

(e) Part Years. If the Rent Commencement Date or the Expiration Date occurs in the middle of a Tax Period, Tenant shall be liable for only that portion of the Taxes, as the case may be, with respect to such Tax Period within the Term.

5.4 Late Payments.

(a) Any payment of Rent due hereunder not paid when due shall bear interest for each month or fraction thereof from the due date until paid in full at the annual rate of twelve percent (12%), or at any applicable lesser maximum legally permissible rate for debts of this nature (the "**Default Rate**").

(b) Additionally, if Tenant fails to make any payment within five (5) days after the due date therefor, Landlord may charge Tenant a fee, which shall constitute liquidated damages, equal to One Thousand and NO/lOO Dollars ($1,000.00) for each such late payment.

(c) For each Tenant payment check to Landlord that is returned by a bank for any reason, Tenant shall pay a returned check charge equal to the amount as shall be customarily charged by Landlord's bank at the time.

(d) Money paid by Tenant to Landlord shall be applied to Tenant's account in the following order: first, to any unpaid Additional Rent, including without limitation late charges, returned check charges, legal fees and/or court costs chargeable to Tenant hereunder; and then to unpaid Base Rent.

(e) The parties agree that the late charge referenced in Section 5.4(b) represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any late payment by Tenant, and the payment of late charges and interest are distinct and separate in that the payment of interest is to compensate Landlord for the use of Landlord's money by Tenant, while the payment of late charges is to compensate Landlord for Landlord's processing, administrative and other costs incurred by Landlord as a result of Tenant's delinquent payments. Acceptance of a late charge or interest shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord under this Lease or at law or in equity now or hereafter in effect.

(f) If Tenant during any six (6) month period shall be more than five (5) days delinquent in the payment of any installment of Rent on three (3) or more occasions, then, notwithstanding anything herein to the contrary, Landlord may, by written notice to Tenant, elect to require Tenant to pay all Base Rent and Additional Rent quarterly in advance. Such right shall be in addition to and not in lieu of any other right or remedy available to Landlord hereunder or at law on account of Tenant's default hereunder.

5.5 No Offset; Independent Covenants; Waiver. Rent shall be paid without notice or demand, and without setoff, counterclaim, defense, abatement, suspension, deferment, reduction or deduction, except as expressly provided herein. **TENANT WAIVES ALL RIGHTS (I) TO ANY ABATEMENT, SUSPENSION, DEFERMENT, REDUCTION OR DEDUCTION OF OR FROM RENT, AND (II) TO QUIT, TERMINATE OR SURRENDER THIS LEASE OR THE PREMISES OR ANY PART THEREOF, EXCEPT AS EXPRESSLY PROVIDED HEREIN. TENANT HEREBY ACKNOWLEDGES AND AGREES THAT THE OBLIGATIONS OF TENANT HEREUNDER SHALL BE SEPARATE AND INDEPENDENT COVENANTS AND AGREEMENTS, THAT RENT SHALL CONTINUE TO BE PAYABLE IN ALL EVENTS AND THAT THE OBLIGATIONS OF TENANT HEREUNDER SHALL CONTINUE UNAFFECTED, UNLESS THE REQUIREMENT TO PAY OR PERFORM THE SAME SHALL HAVE BEEN TERMINATED PURSUANT TO AN EXPRESS PROVISION OF THIS LEASE. LANDLORD AND TENANT EACH ACKNOWLEDGES AND AGREES THAT THE INDEPENDENT NATURE OF THE OBLIGATIONS OF TENANT HEREUNDER REPRESENTS FAIR, REASONABLE, AND ACCEPTED COMMERCIAL PRACTICE WITH RESPECT TO THE TYPE OF PROPERTY SUBJECT TO THIS LEASE, AND THAT THIS AGREEMENT IS THE PRODUCT OF FREE AND INFORMED NEGOTIATION DURING WHICH BOTH LANDLORD AND TENANT WERE REPRESENTED BY COUNSEL SKILLED IN NEGOTIATING AND DRAFTING COMMERCIAL LEASES IN MASSACHUSETTS, AND THAT THE ACKNOWLEDGEMENTS AND AGREEMENTS CONTAINED HEREIN ARE MADE WITH FULL KNOWLEDGE OF THE HOLDING IN WESSON V. LEONE ENTERPRISES, INC., 437 MASS. 708 (2002). SUCH ACKNOWLEDGEMENTS, AGREEMENTS AND WAIVERS BY TENANT ARE A MATERIAL INDUCEMENT TO LANDLORD ENTERING INTO THIS LEASE.**

5.6 Survival. Any payment obligations under this Section 5 which shall not have been paid at the expiration or earlier termination of the Term shall survive such expiration or earlier termination and shall be paid when and as the amount of same shall be determined and be due.

6. INTENTIONALLY OMITTED.

7. SECURITY DEPOSIT; LETTER OF CREDIT

7.1 Amount. Contemporaneously with the execution of this Lease, Tenant shall deliver to Landlord either as Tenant shall so elect (i) cash in the amount specified in the Lease Summary Sheet (the "**Cash Security Deposit**"), which shall be held by Landlord in accordance with Section 7.4 below, or (ii) an irrevocable letter of credit (the "**Letter of Credit**") that shall (a) be in the initial amount of $560,234.61; (b) be issued on the form attached hereto as Exhibit 5; (c) name Landlord as its beneficiary; and (d) be drawn on an FDIC insured financial institution reasonably satisfactory to Landlord that satisfies both the Minimum Rating Agency Threshold and the Minimum Capital Threshold (as those terms are defined below). The "**Minimum Rating Agency Threshold**" shall mean that the issuing bank has outstanding unsecured, uninsured and unguaranteed senior long-term indebtedness that is then rated (without regard to qualification of such rating by symbols such as "+" or "-" or numerical notation) "Baa" or better by Moody's Investors Service, Inc. and/or "BBB" or better by Standard & Poor's Rating Services, or a comparable rating by a comparable national rating agency designated by Landlord in its discretion. The "**Minimum Capital Threshold**" shall mean that the Issuing Bank has combined capital, surplus and undivided profits of not less than $10,000,000,000. The Letter of Credit (and any renewals or replacements thereof) shall be for a term of not less than one (1) year. If the issuer of the Letter of Credit gives notice of its election not to renew such Letter of Credit for any additional period, Tenant shall be required to deliver a substitute Letter of Credit satisfying the conditions hereof at least thirty (30) days prior to the expiration of the term of such Letter of Credit. If the issuer of the Letter of Credit fails to satisfy either or both of the Minimum Rating Agency Threshold or the Minimum Capital Threshold, Tenant shall be required to deliver a substitute letter of credit from another issuer reasonably satisfactory to the Landlord and that satisfies both the Minimum Rating Agency Threshold and the Minimum Capital Threshold not later than ten (10) business days after Landlord notifies Tenant of such failure. Tenant agrees that it shall from time to time, as necessary, whether as a result of a draw on the Letter of Credit by Landlord pursuant to the terms hereof or as a result of the expiration of the Letter of Credit then in effect, renew or replace the original and any subsequent Letter of Credit so that a Letter of Credit, in the amount required hereunder, is in effect until a date which is at least sixty (60) days after the Expiration Date. If Tenant fails to furnish such renewal or replacement at least sixty (60) days prior to the stated expiration date of the Letter of Credit then held by Landlord, Landlord may draw upon such Letter of Credit and hold the proceeds thereof (and such proceeds need not be segregated) as a Security Deposit pursuant to the terms of this Article 7. Any renewal or replacement of the original or any subsequent Letter of Credit shall meet the requirements for the original Letter of Credit as set forth above, except that such replacement or renewal shall be issued by a national bank reasonably satisfactory to Landlord at the time of the issuance thereof.

7.2 Application of Proceeds of Letter of Credit. Upon an Event of Default, or if any proceeding shall be instituted by or against Tenant pursuant to any of the provisions of any Act of Congress or State law relating to bankruptcy, reorganizations, arrangements, compositions or other relief from creditors (and, in the case of any proceeding instituted against it, if Tenant shall fail to have such proceedings dismissed within thirty (30) days) or if Tenant is adjudged bankrupt or insolvent as a result of any such proceeding, Landlord at its sole option may draw down all or a part of the Letter of Credit. The balance of any Letter of Credit cash proceeds shall be held in accordance with Section 7.4 below. Should the entire Letter of Credit, or any portion thereof, be drawn down by Landlord, Tenant shall, upon the written demand of Landlord, deliver a replacement Letter of Credit in the amount drawn, and Tenant's failure to do so within ten (10) days after receipt of such written demand shall constitute an additional Event of Default hereunder. The application of all or any part of the cash proceeds of the Letter of Credit 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.

7.3 Transfer of Letter of Credit. In the event that Landlord transfers its interest in the Premises, Tenant shall upon notice from and at no cost to Landlord, deliver to Landlord an amendment to the Letter of Credit or a replacement Letter of Credit naming Landlord's successor as the beneficiary thereof. If Tenant fails to deliver such amendment or replacement within ten (10) business days after written notice from Landlord, Landlord shall have the right to draw down the entire amount of the Letter of Credit and hold the proceeds thereof in accordance with Section 7.4 below.

7.4 Cash Proceeds of Letter of Credit. Landlord shall hold the Cash Security Deposit and/or the balance of proceeds remaining after a draw on the Letter of Credit (each hereinafter referred to as the "**Security Deposit**") as security for Tenant's performance of all its Lease obligations. After an Event of Default, Landlord may apply the Security Deposit, or any part thereof, to Landlord's damages without prejudice to any other Landlord remedy. Landlord has no obligation to pay interest on the Security Deposit and may co-mingle the Security Deposit with Landlord's funds. If Landlord conveys its interest under this Lease, the Security Deposit, or any part not applied previously, may be turned over to the grantee in which case Tenant shall look solely to the grantee for the proper application and return of the Security Deposit.

7.5 Return of Security Deposit or Letter of Credit. Should Tenant comply with all of such terms, covenants and conditions and promptly pay all sums payable by Tenant to Landlord hereunder, the Security Deposit and/or Letter of Credit or the remaining proceeds therefrom, as applicable, shall be returned to Tenant within sixty (60) days after the end of the Term, less any portion thereof which may have been utilized by Landlord to cure any default or applied to any actual damage suffered by Landlord.

7.6 Reduction in Security Deposit or Letter of Credit. Notwithstanding anything herein to the contrary, provided that no Default by Tenant of any of its obligations under the Lease occurs (i) at any time prior to the Effective Reduction Date, as hereinafter defined, and (ii) on the Effective Reduction Date (the "**Reduction Conditions**"), the Security Deposit shall be reduced to $420,175.96 (the "**Reduced Security Deposit Amount**") effective as of January 31, 2019 (the "**Effective Reduction Date**"). In no event shall the Security Deposit ever be reduced below $420,175.96. Any reduction in the Security Deposit shall be accomplished as follows:

(a) If the Security Deposit is in the form of a Letter of Credit, then so long as the Reduction Conditions have been met Tenant shall, on or after the Effective Reduction Date, either deliver to Landlord a replacement Letter of Credit which satisfies the requirements of this Section in the Reduced Security Deposit Amount, in substitution of the Letter of Credit which Landlord is then holding, or deliver to Landlord an amendment to the Letter of Credit which Landlord is then holding, which amendment shall reduce the amount of said Letter of Credit to the Reduced Security Deposit Amount and shall be in form and substance reasonably acceptable to Landlord.

(b) If the Security Deposit is in the form of a cash security deposit, then Tenant shall, on or after the Effective Reduction Date, request such reduction in a written notice to Landlord, and Landlord shall, within ten (10) business days after its receipt of such request, provide to Tenant a partial refund of the Security Deposit so that Landlord will be holding the Reduced Security Deposit Amount (i.e., $420,175.96).

If the Reduction Conditions are not met on the Effective Reduction Date, then there shall be no reduction in the Security Deposit. Notwithstanding anything to the contrary contained herein, if Landlord declines to allow the reduction of the Security Deposit as of the Effective Reduction Date by reason of Tenant's failure to be in compliance with the Reduction Conditions, Tenant shall be entitled to such reduction of the Security Deposit if Tenant subsequently cures all outstanding defaults and, at the time that it cures all such defaults, Tenant then satisfies both of the Reduction Conditions.

8. INTENTIONALLY OMITTED

9. UTILITIES, LANDLORD'S SERVICES

9.1 Electricity. Commencing as of the Term Commencement Date, Tenant shall pay all charges for electricity furnished to the Premises, Storage Premises, and PH System Premises and any equipment exclusively serving the same, as Additional Rent, based on applicable existing (or replacement) metering equipment, which equipment records consumption at the Premises, Storage Premises, and PH System Premises. Tenant shall, at Tenant's sole cost and expense, maintain and keep in good order, condition and repair the metering equipment used to measure electricity furnished to the Premises, Storage Premises, and PH System Premises, and any equipment exclusively serving the same. Tenant shall pay the full amount of any charges attributable to such meter or sub-meter on or before the due date therefor either to Landlord or directly to the supplier thereof, at the Landlord's direction.

9.2 Water. Commencing on the Term Commencement Date, if not paid directly by Tenant to its water service provider, Tenant shall pay all charges for water furnished to the Premises and/or any equipment exclusively serving the Premises as Additional Rent, based on Landlord's reasonable estimates if there is not any applicable metering or sub-metering equipment showing Tenant's actual usage. At Tenant's request, Landlord shall provide Tenant with reasonable back-up documentation regarding the total charges and the method of allocating the charges to Tenant. If not separately metered, Landlord may elect to furnish and install in a location approved by Landlord in or near the Premises any necessary metering or sub-metering equipment reasonably acceptable to Landlord and the supplier thereof to be used to measure water furnished to the Premises and any equipment exclusively serving the same. If applicable, Tenant shall, at Tenant's sole cost and expense, maintain and keep in good order, condition and repair the metering equipment used to measure water furnished to the Premises and any equipment exclusively serving the same. Tenant shall pay the full amount of any charges attributable to such meter or sub-meter on or before the due date therefor either to Landlord or directly to the supplier thereof, at Landlord's election.

9.3 Gas. Tenant shall pay all charges for gas furnished to the Premises and/or any equipment exclusively serving the Premises as Additional Rent, based on applicable existing (or replacement) airflow metering equipment which equipment records consumption at the Premises. Tenant shall, at Tenant's sole cost and expense, maintain and keep in good order, condition and repair the metering equipment used to measure gas furnished to the Premises and any equipment exclusively serving the same. Tenant shall pay the full amount of any charges attributable to such meter on or before the due date therefor either to Landlord or directly to the supplier thereof, as the Landlord's discretion.

9.4 Other Utilities. Subject to Landlord's reasonable rules and regulations governing the same, Tenant shall obtain and pay, as and when due, for all other utilities and services consumed in and/or furnished to the Premises, together with all taxes, penalties, surcharges and maintenance charges pertaining thereto.

9.5 Interruption or Curtailment of Utilities. 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, Landlord reserves the right, upon as much prior notice to Tenant as is practicable under the circumstances and no less than twenty- four (24) hours' notice except in the event of an emergency, to interrupt, curtail, or stop (i) the furnishing of hot and/or cold water, 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, except as set forth in Section 9.7, shall this Lease be affected or any of Tenant's obligations hereunder reduced, and Landlord shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems.

9.6 Landlord's Services. Landlord shall maintain the existing common Building systems in good condition throughout the Term of the Lease. In addition to the services provided by Landlord, Tenant shall have (x) the right to use the loading dock, dumpster and/or compactor, and freight elevator services for the Building on a non-discriminatory, first-come, first served basis, it being understood that the use of the freight elevator, dumpster and/or compactor, and loading dock must be scheduled in advance with Landlord but there shall be no charge for any such usage, and (y) such other services as Landlord reasonably determines are necessary or appropriate for the Property, including any services Landlord provides generally to tenants or other occupants of the Science Building. If Landlord, at Tenant's request, provides any services which are not Landlord's express obligation under this Lease, including, without limitation, any repairs which are Tenant's responsibility pursuant to Section 10.1 below, Tenant shall pay Landlord, or such other party designated by Landlord, the cost of providing such service plus a reasonable administrative charge. Except in emergencies, as reasonably determined by Landlord, Landlord shall use reasonable efforts to notify Tenant of Landlord's estimate of the cost of providing such services and any associated administrative charges prior to providing such service(s). If Tenant wishes to obtain such services which are not Landlord's express obligation under this Lease from third party vendors other than Landlord, Tenant may do so, subject to Landlord's reasonable approval of such services and provided that (i) any such third party vendors are approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), (ii) such third party vendors provide Landlord with evidence of amounts and types of insurance as may be reasonably required by Landlord, (iii) such third party vendors comply with the applicable rules and regulations for the Building, and (iv) such third party vendors will not cause a labor disruption vis a vis other vendors or contractors in the Building, as determined by Landlord in Landlord's reasonable discretion. Tenant shall provide its own cleaning services to the Premises according to cleaning standards generally prevailing in comparable research and development buildings in the City of Cambridge and according to any cleaning specifications adopted by Landlord from time to time during the Term of this Lease.

9.7 Tenant's Remedies in the Event of Service Interruption.

(a) Abatement of Base Rent. In the event that: (i) there shall be an interruption, curtailment or suspension of any utility service described above in this Section 9 or failure to perform any obligation required to be provided or performed by Landlord pursuant to Sections 9 or 10.2 (and no reasonably equivalent alternative service or supply is provided by Landlord) that shall materially interfere with Tenant's use and enjoyment of the Premises, or any portion thereof (any such event, a "**Service Interruption**"), and (ii) such Service Interruption shall continue for five (5) consecutive business days following receipt by Landlord of written notice (the "**Service Interruption Notice**") from Tenant describing such Service Interruption ("**Abatement Service Interruption Cure Period**"), and (iii) such Service Interruption shall not have been caused by Tenant Fault, as defined in Section 9.7(b) below (an event that satisfies the foregoing conditions (i)-(iii) being referred to hereinafter as a "**Material Service Interruption**") then, Tenant, subject to the next following sentence, shall be entitled to an equitable abatement of Base Rent, Management Fee Rent, and Tax Share based on the nature and duration of the Material Service Interruption and the area of the Premises, Storage Premises, and/or PH System Premises affected, for any and all days following the Material Service Interruption Cure Period that the Material Service Interruption is continuing. The Abatement Service Interruption Cure Period shall be extended by reason of any delays in Landlord's ability to cure the Service Interruption in question caused by causes beyond Landlord's reasonable control, provided however, that in no event shall the Abatement Service Interruption Cure Period with respect to any Service Interruption be longer than ten (10) consecutive business days after Landlord receives the applicable Service Interruption Notice.

(b) Tenant's Termination Right. In the event that: (i) a Service Interruption occurs, and (ii) such Service Interruption continues for a period of ninety (90) consecutive days after Landlord receives a Service Interruption Notice with respect to such Service Interruption ("**Termination Service Interruption Cure Period**"), and (iii) such Service Interruption shall not have been caused by the default, negligence or willful misconduct of Tenant or any of the Tenant Parties or Tenant's invitees (any such cause being referred to as "**Tenant Fault**"), then Tenant shall have the right to terminate this Lease by giving a written termination notice to Landlord after the expiration of the Termination Service Interruption Cure Period. If such Service Interruption is cured within ten (10) days ("**Post-Termination Notice Cure Period**") after Landlord receives such termination notice, then Tenant shall have no right to terminate this Lease based upon such Service Interruption and Tenant's termination notice shall be of no force or effect. If such condition is not cured within the Post-Termination Notice Cure Period, then the term of the Lease shall terminate as of the expiration of the Post-Termination Cure Period. The Termination Service Interruption Cure Period and the Post-Termination Notice Cure Period shall each be extended by reason of any delays in Landlord's ability to cure the Service Interruption in question caused by causes beyond Landlord's reasonable control, provided however, that in no event shall the aggregate extension of the Termination Service Interruption Cure Period and the Post-Termination Notice Cure Period by reason of causes beyond Landlord's reasonable control exceed thirty (30) days.

(c) In the event of any Service Interruption, Landlord will use all commercially reasonable efforts to restore any Service Interruption as soon as is reasonably practicable.

(d) The provisions of this Section 9,7 shall not apply in the event of a Service Interruption caused by Casualty or Taking (see Section 15 hereof).

(e) The provisions of this Section 9.7 set forth Tenant's sole rights and remedies, both in law and in equity, in the event of any Service Interruption.

9.8 Tenant Right to Request Back-Up for Utility Costs.

Landlord shall, within fifteen (15) days of Landlord's receipt ofwritten request from Tenant, from time to time, provide to Tenant reasonable evidence (e.g. invoices and metering readings) of the amounts payable by Tenant under this Section 9.

10. MAINTENANCE AND REPAIRS

10.1 Maintenance and Repairs by Tenant. Tenant shall keep neat and clean and free of insects, rodents, vermin and other pests and in good repair, order and condition the Premises, including without limitation the entire interior of the Premises, all electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of the Tenant (whether located in the Premises or other portions of the Building), all fixtures, equipment and lighting therein, electrical equipment wiring, doors, non-structural walls, windows and floor coverings, reasonable wear and tear and damage by Casualty excepted. Subject to Landlord's obligations in Section 10.2 below, Tenant shall be solely responsible, at Tenant's sole cost and expense, for the proper maintenance of: (i) all building systems (including, without limitation, life safety, sanitary, electrical, heating, air conditioning, plumbing, security or other systems) located within the Premises, and (ii) all equipment and appliances located within and exclusively serving the Premises.

10.2 Maintenance and Repairs by Landlord. Except as otherwise provided in Section 15, and subject to Tenant's obligations in Section 10.1 above, Landlord shall maintain and keep in reasonable condition: (i) all common Building systems providing services to the Premises, Storage Premises, and PH System Premises (including, without limitation, life safety, sanitary, electrical, heating, air conditioning, plumbing, security or other systems) to the point of connection in the Premises, Storage Premises, and PH System Premises, (ii) the Building foundation, (iii) the roof, and (iv) the Building structure, structural floor slabs and columns, all in good repair, order and condition. In addition, Landlord shall operate and maintain the Common Areas in substantially the same manner as comparable combination office and laboratory facilities in the vicinity of the Premises.

10.3 Accidents to Sanitary and Other Systems. Tenant shall give to Landlord prompt notice of any fire or accident in the Premises or in the Building and of any damage to, or defective condition in, any part or appurtenance of the Building including, without limitation, sanitary, electrical, ventilation, heating and air conditioning or other systems located in, or passing through, the Premises. Except as otherwise provided in Section 15, and subject to Tenant's obligations in Section 10.1 above, such damage or defective condition shall be remedied by Landlord with reasonable diligence, but, subject to Section 14.5 below, if such damage or defective condition was caused by any Tenant Parties, the cost to remedy the same shall be paid by Tenant.

10.4 Floor Load—Heavy Equipment. Tenant and/or any occupants of the Premises 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. Landlord reserves the right to prescribe the weight and position of all safes, heavy machinery, heavy equipment, freight, bulky matter or fixtures (collectively, "**Heavy Equipment**"), which shall be placed so as to distribute the weight. Heavy 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 to other Building tenants. Tenant shall not move any Heavy Equipment into or out of the Building without giving Landlord prior written notice thereof and observing all of Landlord's Rules and Regulations with respect to the same. If such Heavy Equipment 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 Legal Requirements. Any such moving shall be at the sole risk and hazard of Tenant and Tenant will defend, indemnify and save Landlord Parties harmless from and against any and all claims, damages, losses, penalties, costs, expenses and fees (including without limitation reasonable legal fees) (collectively, "**Claims**") resulting directly or indirectly from such moving, except to the extent such Claims are caused by the negligence or willful misconduct of any of the Landlord Parties. Proper placement of all Heavy Equipment in the Premises shall be Tenant's responsibility.

10.5 Premises Cleaning. Tenant shall be responsible, at its sole cost and expense, for janitorial and trash removal services and other biohazard disposal services for the Premises, including the laboratory areas thereof. Such services shall be performed by licensed (where required by law or governmental regulation), insured and qualified contractors approved in advance, in writing, by Landlord (which approval shall not be unreasonably withheld, delayed or conditioned) and on a sufficient basis to ensure that the Premises are at all times kept neat and clean.

10.6 Pest Control. Tenant, at Tenant's sole cost and expense, shall cause the Premises to be exterminated on a monthly basis to Landlord's reasonable satisfaction and shall cause all portions of the Premises used for the storage, preparation, service or consumption of food or beverages to be cleaned daily in a manner reasonably satisfactory to Landlord, and to be treated against infestation by insects, rodents and other vermin and pests whenever there is evidence of any infestation. Tenant shall not permit any person to enter the Premises for the purpose of providing such extermination services, unless such persons have been approved by Landlord. If requested by Landlord, Tenant shall, at Tenant's sole cost and expense, store any refuse generated in the Premises by the consumption of food or beverages in a cold box or similar facility.

11. ALTERATIONS AND IMPROVEMENTS BY TENANT

11.1 Landlord's Consent Required. Tenant shall not make any alterations, decorations, installations, removals, additions or improvements ("**Alterations**") in or to the Premises without Landlord's prior written approval of the contractors), written plans and specifications and a time schedule therefor. Landlord reserves the right to require that Tenant use Landlord's preferred vendor(s) for any Alterations that involve roof penetrations, alarm tie-ins, sprinklers, fire alarm and other life safety equipment. Tenant shall not make any amendments or additions to plans and specifications approved by Landlord without Landlord's prior written consent. Landlord's approval of non-structural Alterations shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Landlord may withhold its consent in its sole discretion (a) to any Alteration to or affecting the fixed lab benches, fume hoods, roof and/or building systems, (b) with respect to matters of aesthetics relating to Alterations to or affecting the exterior of the Building, and (c) to any Alteration affecting the Building structure. Tenant shall be responsible for all elements of the design of Tenant's plans (including, without limitation, compliance with Legal Requirements, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval of Tenant's plans shall in no event relieve Tenant of the responsibility for such design. In seeking Landlord's approval, Tenant shall provide Landlord, at least fourteen (14) days in advance of any proposed construction, with plans, specifications, bid proposals, certified stamped engineering drawings and calculations by Tenant's engineer of record or architect of record, (including connections to the Building's structural system, modifications to the Building's envelope, non- structural penetrations in slabs or walls, and modifications or tie-ins to life safety systems), work contracts, requests for laydown areas and such other information concerning the nature and cost of the alterations as Landlord may reasonably request. Landlord shall have no liability or responsibility for any claim, injury or damage alleged to have been caused by the particular materials (whether building standard or non-building standard), appliances or equipment selected by Tenant in connection with any work performed by or on behalf of Tenant. Except as otherwise expressly set forth herein, all Alterations shall be done at Tenant's sole cost and expense and at such times and in such manner as Landlord may from time to time reasonably designate. If Tenant shall make any Alterations, then (unless otherwise stated by Landlord in its consent to the performance of such Alteration) Landlord may elect to require Tenant at the expiration or sooner termination of the Term to restore the Premises to substantially the same condition as existed immediately prior to the Alterations, ordinary wear and tear excepted. Tenant shall provide Landlord with reproducible record drawings (in CAD format) of all Alterations within sixty (60) days after completion thereof. Within thirty (30) days after substantial completion of any Alteration, Tenant shall provide Landlord with an air balance report, in form and substance reasonably acceptable to Landlord, from an engineer reasonably acceptable to Landlord.

11.2 After-Hours. Landlord and Tenant recognize that to the extent Tenant elects to perform some or all of the Alterations during times other than normal construction hours (i.e., Monday-Friday, 7:00 a.m. to 3:00 p.m., excluding holidays), Landlord may need to make arrangements to have supervisory personnel on site. Accordingly, Landlord and Tenant agree as follows: Tenant shall give Landlord at least two (2) business days' prior written notice of any time outside of normal construction hours when Tenant intends to perform any Alterations (the "**After-Hours Work**"). Tenant shall reimburse Landlord, within ten (10) days after demand therefor, for the cost of Landlord's supervisory personnel overseeing the After-Hours Work. In addition, if construction during normal construction hours unreasonably disturbs other tenants of the Building, in Landlord's sole discretion, Landlord may require Tenant to stop the performance of Alterations during normal construction hours and to perform the same after hours, subject to the foregoing requirement to pay for the cost of Landlord's supervisory personnel.

11.3 Harmonious Relations. Tenant agrees that it will not, either directly or indirectly, use any contractors and/or materials if their use will create any difficulty, whether in the nature of a labor dispute or otherwise, with other contractors and/or labor engaged by Tenant or Landlord or others in the construction, maintenance and/or operation of the Building, the Property or any part thereof. In the event of any such difficulty, upon Landlord's request, Tenant shall cause all contractors, mechanics or laborers causing such difficulty to leave the Property immediately.

11.4 Liens. No Alterations shall be undertaken by Tenant until (i) Tenant has made provision for written waiver of liens from all contractors for such Alteration and taken other appropriate protective measures approved and/or required by Landlord, in the exercise of its reasonable discretion; and (ii) Tenant has procured appropriate surety payment and performance bonds which shall name Landlord as an additional obligee and has filed lien bond(s) (in jurisdictions where available) on behalf of such contractors. Any mechanic's lien filed against the Premises or the Building for work claimed to have been done for, or materials claimed to have been furnished to, Tenant shall be discharged by Tenant within ten (10) business days thereafter, at Tenant's expense by filing the bond required by law or otherwise.

11.5 General Requirements. Unless Landlord and Tenant otherwise agree in writing, Tenant shall (a) procure or cause others to procure on its behalf all necessary permits before undertaking any Alterations in the Premises (and provide copies thereof to Landlord); (b) perform all of such Alterations in a good and workmanlike manner, employing materials of good quality' and in compliance with Landlord's reasonable construction rules and regulations promulgated pursuant to Section 18, all insurance requirements of this Lease, and Legal Requirements; and (c) defend, indemnify and hold the Landlord Parties harmless from and against any and all Claims occasioned by or growing out of such Alterations, except to the extent such Claims are caused by negligence or willful misconduct of any of the Landlord Parties.

12. SIGNAGE

12.1 Restrictions. Tenant shall have the right to install Building standard signage identifying Tenant's business at the entrance to the Premises, which signage shall be subject to Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). Subject to the foregoing, and subject to Section 12.2 below, Tenant shall not place or suffer to be placed or maintained on the exterior of the Premises, or any part of the interior visible from the exterior thereof, any sign, banner, advertising matter or any other thing of any kind (including, without limitation, any hand-lettered advertising), and shall not place or maintain any decoration, letter or advertising matter on the glass of any window or door of the Premises without first obtaining Landlord's written approval. Landlord hereby confirms that Landlord has consented to Tenant's continued usage of signs, blinds and/or other window coverings in place as of the Execution Date.

12.2 Monument Signage. Provided that: (i) no Default of Tenant has occurred hereunder and (ii) Tenant is occupying not less than 22,581 rentable square feet in the Building (collectively, the "**Monument Sign Conditions**"), Tenant shall have the right, at Tenant's sole cost and expense, to continue to maintain the existing installation of one (1) identification sign (the "**Monument Sign**"), consisting of the name and/or logo of Tenant, on the existing monument which serves the Building, for the initial Term of the Lease, and any extensions thereof, subject to maintenance and removal of such Monument Sign (including, without limitation, the repair and cleaning of the existing monument facade upon removal of such Monument Sign) shall be performed at Tenant's sole cost and expense in accordance with the terms and conditions governing alterations pursuant to Section 11 hereof. Notwithstanding the foregoing provisions of this Section 12.2 to the contrary, (i) within thirty (30) days after the date on which there occurs, and remains uncured, a failure of any of the Monument Sign Conditions, or (ii) immediately upon the expiration or earlier termination of the Term of the Lease, Tenant shall, at Tenant's cost and expense, remove the Monument Sign and restore all damage to the monument caused by the installation and/or removal of such Monument Sign, normal wear and tear excepted, which removal and restoration shall be performed in accordance with the terms and conditions governing alterations pursuant to Section 11 hereof. The right to the Monument Sign granted pursuant to this Section 12,2 is personal to Tenant, and may not be exercised by any occupant, subtenant, or other assignee of Tenant, other than an Affiliated Entity.

12.3 Building Directory. Landlord shall list Tenant within the directory in the Building lobby at Landlord's sole cost and expense. Subject to reasonable limits on the number of lines on the directory Landlord can provide and all such additional signage in the lobby directory, Landlord shall add the names of any approved subtenants or licensees occupying any portion of the Premises at Tenant's sole cost and expense. Tenant, at Tenant's sole cost and expense, may install building standard signage at the entrance to Tenant's Premises on the first floor in accordance with plans and specifications therefor that have been approved in advance, in writing by Landlord. Landlord confirms that Tenant's shall continue to maintain Tenant's existing listings in the tenant directory of the Building.

13. ASSIGNMENT, MORTGAGING AND SUBLETTING

13.1 Landlord's Consent Required. Tenant shall not mortgage or encumber this Lease or in whole or in part whether at one time or at intervals, operation of law or otherwise, Except as expressly otherwise set forth herein, Tenant shall not, without Landlord's prior written consent, assign, sublet, license or transfer this Lease or the Premises (which may include, in connection therewith, the Storage Premises and/or the PH Systems Premises) in whole or in part by operation of law or otherwise, or permit the occupancy of all or any portion of the Premises by any person or entity other than Tenant's employees (each of the foregoing, a "**Transfer**"). Notwithstanding anything in this Section 13 that may be to the contrary, a public offering of Tenant's and any Tenant Affiliate's stock or the private placement of stock of Tenant or any Tenant Affiliate shall not be deemed to be a Transfer and shall not require Landlord's consent. Any purported Transfer made without Landlord's consent, if required hereunder, shall be void and confer no rights upon any third person, provided that if there is a Transfer, Landlord may collect rent from the transferee without waiving the prohibition against Transfers, accepting the transferee, or releasing Tenant from full performance under this Lease. In the event of any Transfer in violation of this Section 13, Landlord shall have the right to terminate this Lease upon thirty (30) days' written notice to Tenant given within sixty (60) days after receipt of written notice from Tenant to Landlord of any Transfer, or within one (1) year after Landlord first learns of the Transfer if no notice is given. No Transfer shall relieve Tenant of its primary obligation as party Tenant hereunder, nor shall it reduce or increase Landlord's obligations under this Lease.

13.2 Landlord's Recapture Right.

(a) Subject to Section 13.7 below, Tenant shall, prior to offering or advertising the Premises or any portion thereof for a Transfer, give a written notice (the "**Recapture Notice**") to Landlord which: (i) states that Tenant desires to make a Transfer, (ii) identifies the affected portion of the Premises (the "**Recapture Premises**"), (iii) identifies the period of time (the "**Recapture Period**") during which Tenant proposes to sublet the Recapture Premises, or indicates that Tenant proposes to assign its interest in this Lease, and (iv) offers to Landlord to terminate this Lease with respect to the Recapture Premises (in the case of a proposed assignment of Tenant's interest in this Lease or a subletting for the remainder of the term of this Lease) or to suspend the Term for the Recapture Period (i.e., the Term with respect to the Recapture Premises shall be terminated during the Recapture Period and Tenant's rental obligations shall be proportionately reduced). Landlord shall have fifteen (15) days within which to respond to the Recapture Notice.

(b) If Tenant does not enter into a Transfer on the terms and conditions contained in the Recapture Notice on or before the date which is one hundred eighty (180) days after the earlier of: (x) the expiration of the 15 day period specified in Section 13.2(a) above, or (y) the date that Landlord notifies Tenant that Landlord will not accept Tenant's offer contained in the Recapture Notice, *time being of the essence*, then prior to entering into any Transfer after such 180-day period, Tenant must deliver to Landlord a new Recapture Notice in accordance with Section 13.2(a) above

(c) Notwithstanding anything to the contrary contained herein, if Landlord notifies Tenant that it accepts the offer contained in the Recapture Notice or any subsequent Recapture Notice, Tenant shall have the right, for a period of fifteen (15) days following receipt of such notice from Landlord, *time being of the essence*, to notify Landlord in writing that it wishes to withdraw such offer and this Lease shall continue in full force and effect.

(d) Landlord shall have no recapture right, and this Section 13.2 shall not apply, with respect to any Transfer to an Affiliated Entity or Successor.

13.3 Standard of Consent to Transfer. Subject to the provisions of this Section 13, Landlord shall not unreasonably withhold, condition or delay its consent to a Transfer to a person or entity which will use the Premises for the Permitted Uses and, in Landlord's reasonable opinion: (a) has a tangible net worth and other financial indicators sufficient to meet the transferee's obligations under the Transfer instrument in question; (b) has a business reputation compatible with the operation of a first-class combination laboratory, research, development and office building; and (c) the intended use of such entity does not violate any restrictive use provisions then in effect with respect to the Building. When the consent of Landlord is required, consent shall be given within twenty-five (25) days from the date of Landlord's receipt from Tenant of: (i) Tenant's written request for consent and (ii) all information reasonably required by Landlord to make a decision regarding such Transfer Request (collectively, the "**Transfer Request**"). Tenant shall reimburse Landlord for all reasonable out-of-pocket expenses, as set forth in Section 25.7, incurred by Landlord in reviewing the Transfer Request. If Landlord fails to grant its consent or if consent is not affirmatively withheld for a good reason within such twenty-five (25) day period, then Tenant shall have the right to give Landlord a reminder notice specifically identifying the provisions of Section 13.3 and advising Landlord, **IN PROMINENT BOLD TYPE**, of the effect of Landlord's failure timely to respond to such reminder notice. If Landlord does not respond in writing to such reminder notice within five (5) business days after Landlord's receipt of such reminder notice, then Landlord shall be conclusively deemed to have consented to such Transfer Request.

13.4 INTENTIONALLY OMITTED.

13.5 Profits In Connection with Transfers. Tenant shall, within thirty (30) days of receipt thereof, pay to Landlord fifty percent (50%) of any profits received by Tenant in connection with any Transfer. Such profits shall be defined as rent or other consideration to be paid or given to any Tenant Parties in connection with any Transfer, either initially or over time, after deducting: (a) the reasonable amount of the following costs incurred by Tenant in connection with such Transfer: construction costs and construction allowances, out-of-pocket legal, architectural and engineering, and brokerage fees and expenses, and (b) the amount of Rent payable to Landlord by Tenant with respect to the portion of the Premises subject to such Transfer.

13.6 Conditions to Transfers. Notwithstanding any contrary provision of this Lease, Tenant shall have no right to make a Transfer unless on both (i) the date on which Tenant notifies Landlord of its intention to enter into a Transfer and (ii) the date on which such Transfer is to take effect, Tenant is not in monetary or material non-monetary default of Tenant's obligations under this Lease. Notwithstanding anything to the contrary contained herein, Tenant agrees that in no event shall Tenant make a Transfer to (a) any government agency; or (b) any tenant, subtenant or occupant of other space in the Building, unless the Landlord cannot satisfy the needs of such tenant, subtenant, or occupant as to the term, or size of premises required by such tenant, subtenant or occupant; or (c) any entity with whom Landlord shall have negotiated for space in the Property in the six (6) months immediately preceding such proposed Transfer, as evidenced by showing space to a representative of such entity.

13.7 Exceptions to Requirement for Consent. Notwithstanding anything to the contrary herein contained, Tenant shall have the right, without obtaining Landlord's consent and without giving Landlord a Recapture Notice, to make a Transfer to (a) an Affiliated Entity (hereinafter defined) so long as such entity remains in such relationship to Tenant, and/or (b) a Successor, provided that prior to or simultaneously with any such Transfer, such Affiliated Entity or Successor, as the case may be, and Tenant execute and deliver to Landlord an assignment and assumption agreement in form and substance reasonably acceptable to Landlord whereby such Affiliated Entity or Successor, as the case may be, shall agree to be independently bound by and upon all the covenants, agreements, terms, provisions and conditions set forth in the Lease on the part of Tenant to be performed, and whereby such Affiliated Entity or Successor, as the case may be, shall expressly agree that the provisions of this Section 13 shall, notwithstanding such Transfer, continue to be binding upon it with respect to all future Transfers. For the purposes hereof, an "**Affiliated Entity**" shall be defined as any person or entity (a) that has a net worth and other financial indicators demonstrating such person or entity's ability to perform all of Tenant's obligations hereunder, as evidenced by its financial statements in a form reasonably acceptable to Landlord and certified as accurate by such person or the chief financial officer of such tenant entity, as the case may be, or, alternatively, by a certified public accountant reasonably acceptable to Landlord; and (b) which is controlled by, is under common control with, or which controls Tenant. For the purposes hereof, a "**Successor**" shall be defined as any entity into or with which Tenant is merged or with which Tenant is consolidated or which acquires all or substantially all of Tenant's stock or assets, provided that the surviving entity shall have a net worth and other financial indicators sufficient to meet Tenant's obligations hereunder.

14. INSURANCE; INDEMNIFICATION; EXCULPATION

14.1 Tenant's Insurance.

(a) Tenant shall procure, pay for and keep in force throughout the Term (and for so long thereafter as Tenant remains in occupancy of the Premises) commercial general liability insurance insuring Tenant on an occurrence basis against all claims and demands for personal injury liability (including, without limitation, bodily injury, sickness, disease, and death) or damage to property which may be claimed to have occurred from and after the time any of the Tenant Parties shall first enter the Premises, of not less than Two Million Dollars ($2,000,000), and from time to time thereafter shall be not less than such higher amounts, if procurable, as may be reasonably required by Landlord, Tenant shall also carry umbrella liability coverage in an amount of no less than Three Million Dollars ($3,000,000), Such policy shall also include contractual liability coverage covering Tenant's liability assumed under this Lease, including without limitation, Tenant's indemnification obligations. Such insurance policy(ies) shall name Landlord, Landlord's managing agent and persons claiming by, through or under them, if any, as additional insureds. Notwithstanding the foregoing, so long as the holder of Tenant's interest under this Lease is Horizon Discovery Inc., Tenant shall have the right, in lieu of maintaining a base commercial general liability policy with a limit of not less than Two Million Dollars ($2,000,000) and an umbrella liability coverage policy in an amount not less than Three Million Dollars ($3,000,000), to maintain (i) a base commercial general liability policy of not less than One Million Dollars ($1,000,000) that names Landlord and any Landlord Parties as additional insureds and (ii) an umbrella policy of not less than Four Million Dollars ($4,000,000) that does not name Landlord or any Landlord Parties as additional insureds but indemnifies Landlord and the Landlord Parties for any claims covered under such umbrella policy.

(b) Tenant shall take out and maintain throughout the Term a policy of fire, vandalism, malicious mischief, extended coverage and so-called "all risk" coverage insurance in an amount equal to one hundred percent (100%) of the replacement cost insuring (i) all items or components of Alterations (collectively, the "**Tenant-Insured Improvements**"), and (ii) all of Tenant's furniture, equipment, fixtures and property of every kind, nature and description related or arising out of Tenant's leasehold estate hereunder, which may be in or upon the Premises or the Building, including, without limitation, Tenant's Rooftop Equipment (collectively, "**Tenant's Property**"). Such insurance shall insure the interests of both Landlord and Tenant as their respective interests may appear from time to time.

(c) Tenant shall take out and maintain a policy of business interruption insurance throughout the Term sufficient to cover at least twelve (12) months of Rent due hereunder and Tenant's business losses during such 12-month period.

(d) During periods when Tenant's Work and/or any Alterations are being performed, Tenant shall maintain, or cause to be maintained, so-called all risk or special cause of loss property insurance or its equivalent and/or builders risk insurance on 100% replacement cost coverage basis, including hard and soft costs coverages. Such insurance shall protect and insure Landlord, Landlord's agents, Tenant and Tenant's contractors, as their interests may appear, against loss or damage by fire, water damage, vandalism and malicious mischief, and such other risks as are customarily covered by so-called all risk or special cause of loss property / builders risk coverage or its equivalent.

(e) Tenant shall procure and maintain at its sole expense such additional insurance as may be necessary to comply with any Legal Requirements.

(f) Tenant shall cause all contractors and subcontractors to maintain during the performance of any Alterations the insurance described in Exhibit 9 attached hereto.

(g) The insurance required pursuant to Sections 14.1(a), (b), (c), (d) and (e) (collectively, "**Tenant's Insurance Policies**") shall be effected with insurers approved by Landlord, with a rating of not less than "A-XI" in the current *Best's Insurance Reports*, and authorized to do business in the Commonwealth of Massachusetts under valid and enforceable policies. Tenant's Insurance Policies shall each provide that it shall not be canceled or modified without at least thirty (30) days' prior written notice to each insured named therein. Tenant's Insurance Policies may include deductibles in an amount no more than the greater of $25,000 or commercially reasonable amounts. On or before the date on which the Tenant shall first enter the Premises and thereafter not less than fifteen (15) days prior to the expiration date of each expiring policy, Tenant shall deliver to Landlord binders of Tenant's Insurance Policies issued by the respective insurers setting forth in full the provisions thereof of Tenant's Insurance Policies together with evidence satisfactory to Landlord, in the exercise of its reasonable discretion, of the payment of all premiums for such policies. In the event of any claim, and upon Landlord's request, Tenant shall deliver to Landlord complete copies of Tenant's Insurance Policies. Upon request of Landlord, Tenant shall deliver to any Mortgagee copies of the foregoing documents.

14.2 Indemnification.

(a) Except to the extent caused by the negligence or willful misconduct of any of the Landlord Parties or breach of this Lease by Landlord, Tenant shall defend, indemnify and save the Landlord Parties harmless from and against any and all Claims asserted by or on behalf of any person, firm, corporation or public authority arising from:

(i) Tenant's breach of any covenant or obligation under this Lease;

(ii) Any injury to or death of any person, or loss of or damage to property, sustained or occurring in, upon, at or about the Premises;

(iii) Any injury to or death of any person, or loss of or damage to property arising out of the use or occupancy of the Premises by or the negligence or willful misconduct of the Tenant; and

(iv) On account of or based upon any work or thing whatsoever done (other than by Landlord or any of the other Landlord Parties) at the Premises during the Term and during the period of time, if any, prior to the Term Commencement Date that any of the Tenant Parties may have been given access to the Premises.

(b) Landlord, subject to the limitations on Landlord's liability contained elsewhere in this Lease, agrees to hold Tenant harmless and to defend, exonerate and indemnify Tenant and Tenant's agents and employees from and against any and all claims, damages, losses, costs, expenses, fees (including without limitation reasonable legal fees), liabilities, or penalties (including without limitation reasonable legal fees) asserted by or on behalf of any third party for damage to the property or injuries to persons sustained or occurring in the Building to the extent arising from the negligence or willful misconduct of Landlord or the other Landlord Parties.

14.3 Property of Tenant. Tenant covenants and agrees that, to the maximum extent permitted by Legal Requirements, all of Tenant's Property at the Premises 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, subject to Section 14.5 hereof, to the extent such damage or loss is due to the negligence or willful misconduct of any of the Landlord Parties.

14.4 Limitation of Landlord's Liability for Damage or Injury. Landlord shall not be liable for any injury or damage to persons, or property resulting from fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part of the Building or from the pipes, appliances, equipment or plumbing works or from the roof, street or sub-surface or from any other place or caused by dampness, vandalism, malicious mischief or by any other cause of whatever nature, except to the extent caused by or due to the negligence or willful misconduct of any of the Landlord Parties, and then, where notice and an opportunity to cure are appropriate (i.e., where Tenant has an opportunity to know or should have known of such condition sufficiently in advance of the occurrence of any such injury or damage resulting therefrom as would have enabled Landlord to prevent such damage or loss had Tenant notified Landlord of such condition) only after (i) notice to Landlord of the condition claimed to constitute negligence or willful misconduct, and (ii) the expiration of a reasonable time after such notice has been received by Landlord without Landlord having commenced to take all reasonable and practicable means to cure or correct such condition; and pending such cure or correction by Landlord, Tenant shall take all reasonably prudent temporary measures and safeguards to prevent any injury, loss or damage to persons or property, Landlord hereby agreeing to reimburse Tenant for the reasonable costs incurred by Tenant in taking such temporary measures and safeguards. Notwithstanding the foregoing, in no event shall any of the Landlord Parties be liable for any loss which is covered by insurance policies actually carried or required to be so carried by this Lease; nor shall any of the Landlord Parties be liable for any such damage caused by other- tenants or persons in the Building or caused by operations in construction of any private, public, or quasi-public work; nor shall any of the Landlord Parties be liable for any latent defect in the Premises or in the Building.

14.5 Waiver of Subrogation; Mutual Release. Landlord and Tenant each hereby waives on behalf of itself and its property insurers (none of which shall ever be assigned any such claim or be entitled thereto due to subrogation or otherwise) any and all rights of recovery, claim, action, or cause of action against the other and its agents, officers, servants, partners, shareholders, or employees (collectively, the "**Related Parties**") for any loss or damage that may occur to or within the Premises or the Building or any improvements thereto, or any personal property of such party therein which is insured against under any property insurance policy actually being maintained by the waiving party from time to time, even if not required hereunder, or which would be insured against under the terms of any insurance policy required to be carried or maintained by the waiving party hereunder, whether or not such insurance coverage is actually being maintained, including, in every instance, such loss or damage that may be caused by the negligence of the other party hereto and/or its Related Parties. Landlord and Tenant each agrees to use commercially reasonable efforts to cause appropriate clauses to be included in its property insurance policies necessary to implement the foregoing provisions; provided however that the provisions of this Section 14.5 shall not apply in those instances in which a waiver of subrogation would cause either party's insurance coverage to be voided or otherwise made uncollectible.

14.6 Tenant's Acts—Effect on Insurance. Tenant shall not knowingly do or permit any Tenant Party to do any act or thing upon the Premises or elsewhere in the Building which will invalidate or be in conflict with any of Tenant's insurance policies covering the Building and the fixtures and property therein; and shall not do, or permit to be done, any act or thing upon the Premises which shall subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon said Premises or for any other reason. If by reason of the failure of Tenant to comply with the provisions hereof the insurance rate applicable to any policy of insurance of Landlord shall at any time thereafter be higher than it otherwise would be, Tenant shall reimburse Landlord upon demand for that part of any insurance premiums which shall have been charged because of such failure by Tenant, within ten (10) business days after receipt of an invoice therefor. In addition, Tenant shall reimburse Landlord for any increase in insurance premium arising as a result of Tenant's use and/or storage of any Hazardous Materials in the Premises.

14.7 Landlord's Insurance. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Building. 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 Property.

15. CASUALTY; TAKING

15.1 Damage. If the Premises are damaged in whole or part because of fire or other casualty or otherwise become not habitable ("**Casualty**"), or if the Premises are subject to a taking in connection with the exercise of any power of eminent domain, condemnation, or purchase under threat or in lieu thereof (any of the foregoing, a "**Taking**"), then unless this Lease is terminated in accordance with Section 15.2 below, Landlord shall restore the Building and/or the Premises to substantially the same condition as existed immediately following completion of Tenant's Work, or in the event of a partial Taking which affects the Building and the Premises, restore the remainder of the Building and the Premises not so Taken to substantially the same condition as is reasonably feasible. If, in Landlord's reasonable judgment, any element of the Tenant-Insured Improvements can more effectively be restored as an integral part of Landlord's restoration of the Building or the Premises, such restoration shall also be made by Landlord, but at Tenant's sole cost and expense. Subject to rights of Mortgagees, Tenant Delays, Legal Requirements then in existence and to delays for adjustment of insurance proceeds or Taking awards, as the case may be, and instances of Landlord's Force Majeure, Landlord shall substantially complete such restoration within one (1) year after Landlord's receipt of all required permits therefor with respect to substantial reconstruction of at least 50% of the Building, or, within one hundred eighty (180) days after Landlord's receipt of all required permits therefor in the case of restoration of less than 50% of the Building. Upon substantial completion of such restoration by Landlord, Tenant shall use diligent efforts to complete restoration of the Premises to substantially the same condition as existed immediately prior to such Casualty or Taking, as the case may be, as soon as reasonably possible. Tenant agrees to cooperate with Landlord in such manner as Landlord may reasonably request to assist Landlord in collecting insurance proceeds due in connection with any Casualty which affects the Premises or the Building. In no event shall Landlord be required to expend more than the Net (hereinafter defined) insurance proceeds Landlord receives for damage to the Premises and/or the Building or the Net Taking award attributable to the Premises and/or the Building. "**Net**" means the insurance proceeds or Taking award actually paid to Landlord (and not paid over to a Mortgagee) less all costs and expenses, including reasonable adjusters and attorney's fees, of obtaining the same. Except as Landlord may elect pursuant to this Section 15.1, under no circumstances shall Landlord be required to repair any damage to, or make any repairs to or replacements of, any Tenant-Insured Improvements. If part of the Premises shall be subject to a Taking, and this Lease is not terminated as provided in this Section 15, the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances and to reflect Tenant's diminished ability to use the Premises.

15.2 Termination Rights.

(a) Landlord's Termination Rights. Landlord may terminate this Lease upon thirty (30) days' prior written notice to Tenant if:

(i) any material portion of the Building or any material means of access thereto is subject to a Taking;

(ii) more than thirty-five percent (35%) of the Building is damaged by Casualty; or

(iii) if the estimated time to complete restoration exceeds one (1) year from the date on which Landlord receives all required permits for such restoration.

(b) Tenant's Termination Right. If Landlord is so required but fails to complete restoration of the Premises within the time frames and subject to the conditions set forth in Section 15.1 above but in no event more than seventeen (17) months from the date of the Casualty or the Taking affecting at least 50% of the Building or eight (8) months where less than 50% of the Building is affected, then Tenant may terminate this Lease, without penalty or prejudice, upon thirty (30) days' written notice to Landlord. Notwithstanding the foregoing, if a Taking would materially interfere with or impair Tenant's use of the Premises and such interference cannot be remedied by restoration as set forth above, then Tenant may terminate this Lease, without penalty or prejudice, upon sixty (60) days' written notice to Landlord, The remedies set forth in this Section 15.2(b) and in Section 15.2(c) below are Tenant's sole and exclusive rights and remedies based upon Landlord's failure to complete the restoration of the Premises as set forth herein. Notwithstanding anything to the contrary contained herein, Tenant shall not have the right to terminate this Lease pursuant to this Section 15.2 if the Casualty was caused by the gross negligence or intentional misconduct of any Tenant Party.

(c) Either Party May Terminate. In the case of any Casualty or Taking affecting the Premises and occurring during the last twelve (12) months of the Term, then (i) if such Casualty or Taking results in more than twenty-five percent (25%) of the floor area of the Premises being unsuitable for the Permitted Uses, or (ii) the damage to the Premises costs more than $250,000 to restore, then either Landlord or Tenant shall have the option to terminate this Lease upon sixty (60) days' written notice to the other. In addition, if Landlord's Mortgagee does not release sufficient insurance proceeds to cover the cost of Landlord's restoration obligations, then Landlord shall (i) notify Tenant thereof, and (ii) have the right to terminate this Lease. If Landlord does not terminate this Lease pursuant to the previous sentence and such notice by Landlord does not include an agreement by Landlord to pay for the difference between the cost of such restoration and such released insurance proceeds, then Tenant may terminate this Lease by written notice to Landlord on or before the date that is thirty (30) days after such notice. Notwithstanding anything to the contrary contained in this Section 15, in no event may Tenant elect to terminate this Lease hereunder if the Casualty that would otherwise give rise to such right results from the gross negligence or willful misconduct of any Tenant Party.

(d) Automatic Termination. In the case of a Taking of the entire Premises, then this Lease shall automatically terminate as of the date of possession by the Taking authority.

(e) Rent Abatement. In the event of a Casualty affecting the Premises, there shall be an equitable adjustment of Base Rent, Property Management Fee Rent and Tenant's Share of Taxes based upon the degree to which Tenant's ability to conduct its business in the Premises is impaired by reason of such Casualty from and after the date of a Casualty, and continuing until the following portions of the repair and restoration work to be performed by Landlord, as set forth above, are substantially completed: (i) any repair and restoration work to be performed by Landlord within the Premises, and (ii) repair and restoration work with respect to the Common Areas to the extent that damage to the Common Areas caused by such Casualty materially adversely affects Tenant's use of, or access to, the Premises.

15.3 Taking for Temporary Use. If the Premises are Taken for temporary use, this Lease and Tenant's obligations, including without limitation the payment of Rent, shall continue. For purposes hereof, a "**Taking for temporary use**" shall mean a Taking of ninety (90) days or less.

15.4 Disposition of Awards. Except for any separate award for Tenant's movable trade fixtures, relocation expenses, and unamortized leasehold improvements paid for by Tenant (provided that the same may not reduce Landlord's award), all Taking awards to Landlord or Tenant shall be Landlord's property without Tenant's participation, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant may pursue its own claim against the Taking authority.

16. ESTOPPEL CERTIFICATE.

Tenant shall at any time and from time to time upon not less than ten (10) business days' prior notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which Rent has been paid in advance, if any, stating whether or not Landlord is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default, and such other facts as Landlord may reasonably request, it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser of the Building or of any interest of Landlord therein, any Mortgagee or prospective Mortgagee thereof, any lessor or prospective lessor thereof, any lessee or prospective lessee thereof, or any prospective assignee of any mortgage thereof. *Time is of the essence with respect to any such requested certificate*, Tenant hereby acknowledging the importance of such certificates in mortgage financing arrangements, prospective sales and the like.

17. HAZARDOUS MATERIALS

17.1 Prohibition. Tenant shall not, without the prior written consent of Landlord, bring or permit to be brought or kept in or on the Premises or elsewhere in the Building or the Property (i) any inflammable, combustible or explosive fluid, material, chemical or substance (except for standard office supplies stored in proper containers); and (ii) any Hazardous Material (hereinafter defined), other than the types and quantities of Hazardous Materials which are listed on Exhibit 7 attached hereto ("**Tenant's Hazardous Materials**"), provided that the same shall at all times be brought upon, kept or used in so-called 'control areas' (the number and size of which shall be reasonably determined by Landlord) and in accordance with all applicable Environmental Laws (hereinafter defined) and prudent environmental practice and (with respect to medical waste and so-called "biohazard" materials) good scientific and medical practice. Tenant shall be responsible for assuring that all laboratory uses are adequately and properly vented. On or before each anniversary of the Rent Commencement Date, and on any earlier date during the 12-month period on which Tenant intends to add a new Hazardous Material or materially increase the quantity of any Hazardous Material to the list of Tenant's Hazardous Materials, Tenant shall submit to Landlord an updated list of Tenant's Hazardous Materials for Landlord's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall have the right, from time to time, to inspect the Premises for compliance with the terms of this Section 17.1. Notwithstanding the foregoing, with respect to any of Tenant's Hazardous Materials which Tenant does not properly handle, store or dispose of in compliance with all applicable Environmental Laws (hereinafter defined), prudent environmental practice and (with respect to medical waste and so-called "biohazard materials) good scientific and medical practice, Tenant shall, upon written notice from Landlord, no longer have the right to bring such material into the Building or the Property until Tenant has demonstrated, to Landlord's reasonable satisfaction, that Tenant has implemented programs to thereafter properly handle, store or dispose of such material.

17.2 Environmental Laws. For purposes hereof, "**Environmental Laws**" shall mean all laws, statutes, ordinances, rules and regulations of any local, state or federal governmental authority having jurisdiction concerning environmental, health and safety matters, including but not limited to any discharge by any of the Tenant Parties into the air, surface water, sewers, soil or groundwater of any Hazardous Material (hereinafter defined) whether within or outside the Premises, including, without limitation (a) the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., (b) the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., (c) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq,, (d) the Toxic Substances Control Act of 1976, 15 U.S.C. Section 2601 et seq., and (e) Chapter 21E of the General Laws of Massachusetts. Tenant, at its sole cost and expense, shall comply with (i) Environmental Laws, and (ii) any rules, requirements and safety procedures of the Massachusetts Department of Environmental Protection, the City of Cambridge and any insurer of the Building or the Premises with respect to Tenant's use, storage and disposal of any Hazardous Materials.

17.3 Hazardous Material Defined. As used herein, the term "**Hazardous Material**" means asbestos, oil or any hazardous, radioactive or toxic substance, material or waste or petroleum derivative which is or becomes regulated by any Environmental Law, including without limitation live organisms, viruses and fungi, medical waste and any so-called "biohazard" materials. The term "Hazardous Material" includes, without limitation, oil and/or any material or substance which is (i) designated as a "hazardous substance," "hazardous material," "oil," "hazardous waste" or toxic substance under any Environmental Law.

17.4 Testing. If any Mortgagee or governmental authority requires testing to determine whether there has been any release of Hazardous Materials and such testing is required as a result of the acts or omissions of any of the Tenant Parties, then Tenant shall reimburse Landlord upon demand, as Additional Rent, for the reasonable costs thereof, together with interest at the Default Rate until paid in full, Tenant shall execute affidavits, certifications and the like, as may be reasonably requested by Landlord from time to time concerning Tenant's best knowledge and belief concerning the presence of Hazardous Materials in or on the Premises, the Building or the Property.

17.5 Indemnity; Remediation.

(a) Tenant hereby covenants and agrees to indemnify, defend and hold the Landlord Parties harmless from and against any and all Claims against any of the Landlord Parties arising out of contamination of any part of the Property or other adjacent property, which contamination arises as a result of: (i) the presence of Hazardous Material in the Premises, the presence of which is caused by any act or omission of any of the Tenant Parties, or (ii) from a breach by Tenant of its obligations under this Section 17. This indemnification of the Landlord Parties by Tenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Building based upon the circumstances identified in the first sentence of this Section 17.5, Without limiting the foregoing, if the presence of any Hazardous Material in the Building or otherwise in the Property is caused or permitted by any of the Tenant Parties and results in any contamination of any part of the Property or any adjacent property, Tenant shall promptly take all actions at Tenant's sole cost and expense as are necessary to return the Property and/or the Building or any adjacent property to their condition as of the date of this Lease, provided that Tenant shall first obtain Landlord's written approval of such actions, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions, in Landlord's reasonable discretion, would not potentially have any adverse effect on the Property, and, in any event, Landlord shall not withhold its approval of any proposed actions which are required by applicable Environmental Laws.

(b) Without limiting the obligations set forth in Section 17.5(a) above, if any Hazardous Material is in, on, under, at or about the Building or the Property as a result of the acts or omissions of any of the Tenant Parties and results in any contamination of any part of the Property or any adjacent property that is in violation of any applicable Environmental Law or that requires the performance of any response action pursuant to any Environmental Law, Tenant shall promptly take all actions at Tenant's sole cost and expense as are necessary to reduce such Hazardous Material to amounts below any applicable "Reportable Quantity", any applicable "Reportable Concentration" and any other applicable standard set forth in any Environmental Law; provided that Tenant shall first obtain Landlord's written approval of such actions, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions would not be reasonably expected to have an adverse effect on the market value or utility of the Property for the Permitted Uses, and in any event, Landlord shall not withhold its approval of any proposed actions which are required by applicable Environmental Laws (such approved actions, "**Tenant's Remediation**").

(c) In the event that Tenant fails to complete Tenant's Remediation prior to the end of the Term, then:

(i) until the completion of Tenant's Remediation (as evidenced by the certification of Tenant's "Licensed Site Professional" (as such term is defined by applicable Environmental Laws), who shall be reasonably acceptable to Landlord) (the "**Remediation Completion Date**"), Tenant shall pay to Landlord, with respect to the portion of the Premises which reasonably cannot be occupied by a new tenant until completion of Tenant's Remediation, (A) Additional Rent and (B) Base Rent in an amount equal to the greater of (1) the fair market rental value of such portion of the Premises (determined in substantial accordance with the process described in Section 1.2 above), and (2) Base Rent attributable to such portion of the Premises in effect immediately prior to the end of the Term; and

(ii) Tenant shall maintain responsibility for Tenant's Remediation and Tenant shall complete Tenant's Remediation as soon as reasonably practicable in accordance with Environmental Laws. If Tenant does not diligently pursue completion of Tenant's Remediation, Landlord shall have the right to either (A) assume control for overseeing Tenant's Remediation, in which event Tenant shall pay all reasonable costs and expenses of Tenant's Remediation (it being understood and agreed that all costs and expenses of Tenant's Remediation incurred pursuant to contracts entered into by Tenant shall be deemed reasonable) within thirty (30) days of demand therefor (which demand shall be made no more often than monthly), and Landlord shall be substituted as the party identified on any governmental filings as the party responsible for the performance of such Tenant's Remediation or (B) require Tenant to maintain responsibility for Tenant's Remediation, in which event Tenant shall complete Tenant's Remediation as soon as reasonably practicable in accordance with Environmental Laws, it being understood that Tenant's Remediation shall not contain any requirement that Tenant remediate any contamination to levels or standards more stringent than those associated with the Property's current office, research and development, laboratory, and vivarium uses.

(d) The provisions of this Section 17.5 shall survive the expiration or earlier termination of this Lease.

17.6 Disclosures. Prior to bringing any Hazardous Material into any part of the Property, Tenant shall deliver to Landlord the following information with respect thereto: (a) a description of handling, storage, use and disposal procedures; (b) all plans or disclosures and/or emergency response plans which Tenant has prepared, including without limitation Tenant's "Spill Response Plan" (as such term is defined by applicable Environmental Laws), and all plans which Tenant is required to supply to any governmental agency or authority pursuant to any Environmental Laws; (c) copies of all Required Permits relating thereto; and (d) other information reasonably requested by Landlord.

17.7 Removal. Tenant shall be responsible, at its sole cost and expense, for Hazardous Material and other biohazard disposal services for the Premises, Such services shall be performed by contractors reasonably acceptable to Landlord and on a sufficient basis to ensure that the Premises are at all times kept neat, clean and free of Hazardous Materials and biohazards except in appropriate, specially marked containers reasonably approved by Landlord.

18. RULES AND REGULATIONS.

18.1 Rules and Regulations. Tenant will faithfully observe and comply with all rules and regulations promulgated from time to time with respect to the Building, the Property and construction within the Property that are applicable to similarly situated tenants in the Property generally (collectively, the "**Rules and Regulations**"). The current version of the Rules and Regulations is attached hereto as Exhibit 8. In the case of any conflict between the provisions of this Lease and any future rules and regulations, the provisions of this Lease shall control. 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, its servants, employees, agents, contractors, visitors, invitees or licensees,

18.2 Energy Conservation. Landlord may institute upon written notice to Tenant such policies, programs and measures for the conservation and/or preservation of energy or energy services (collectively, the "**Conservation Program**") as may be; (i) required by Legal Requirements, or (ii) as, in Landlord's reasonable judgment, may be necessary or required because of market conditions, provided however, that any Conservation Program promulgated by Landlord pursuant to this clause (ii) does not, by reason of such policies, programs and measures, reduce the level of energy or energy services being provided to the Premises below the level of energy or energy services then being provided in comparable combination laboratory, research and development and office buildings in the vicinity of the Premises. Upon receipt of such notice, Tenant shall comply with the Conservation Program.

18.3 Recycling. Upon written notice, Landlord may establish reasonable policies, programs and measures for the recycling of paper, products, plastic, tin and other materials (a "**Recycling Program**"), Upon receipt of such notice, Tenant will comply with the Recycling Program at Tenant's sole cost and expense.

19. LAWS AND PERMITS.

19.1 Legal Requirements. Tenant shall not cause or permit the Premises, or cause the Property or the Building to be used in any way that violates any Legal Requirement, order, permit, approval, variance, covenant or restrictions of record or any provisions of this Lease, interferes with the rights of tenants of the Building, or constitutes a nuisance or waste. Tenant shall obtain, maintain and pay for all permits and approvals needed for the operation of Tenant's business and/or Tenant's Rooftop Equipment, as soon as reasonably possible, and in any event shall not undertake any operations or use of Tenant's Rooftop Equipment unless all applicable permits and approvals are in place and shall, promptly take all actions necessary to comply with all Legal Requirements, including, without limitation, the Occupational Safety and Health Act, applicable to Tenant's use of the Premises, the Property or the Building. Tenant shall maintain in full force and effect all certifications or permissions required by any authority having jurisdiction to authorize, franchise or regulate Tenant's use of the Premises. Tenant shall be solely responsible for procuring and complying at all times with any and all necessary permits and approvals directly or indirectly relating or incident to: the conduct of its activities on the Premises; its scientific experimentation, transportation, storage, handling, use and disposal of any chemical or radioactive or bacteriological or pathological substances or organisms or other hazardous wastes or environmentally dangerous substances or materials or medical waste or animals or laboratory specimens. Within ten (10) 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 unless Landlord reasonably suspects that Tenant has violated the provisions of this Section 19.1, Tenant shall furnish Landlord with copies of all such permits and approvals that Tenant possesses or has obtained together with a certificate certifying that such permits are all of the permits that Tenant possesses or has obtained with respect to the Premises. Tenant shall promptly give written notice to Landlord of any warnings or violations relative to the above received from any federal, state or municipal agency or by any court of law 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 by appellate or other proceedings permitted under Legal Requirements, provided that: (i) any such contest is made reasonably and in good faith, (ii) Tenant makes provisions, including, without limitation, posting bond(s) or giving other security, reasonably acceptable to Landlord to protect Landlord, the Building and the Property from any liability, costs, damages or expenses arising in connection with such alleged violation and failure to cure, (iii) Tenant shall agree to indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord harmless from and against any and all liability, costs, damages, or expenses arising in connection with such condition and/or violation, (iv) Tenant shall promptly cure any violation in the event that its appeal of such violation is overruled or rejected, and (v) Tenant's decision to delay such cure shall not, in Landlord's good faith determination, be likely to result in any actual or threatened bodily injury, property damage, or any civil or criminal liability to Landlord, any tenant or occupant of the Building or the Property, or any other person or entity. Nothing contained in this Section 19.1 shall be construed to expand the uses permitted hereunder beyond the Permitted Uses. Landlord shall comply with any Legal Requirements and with any direction of any public office or officer-relating to the maintenance or operation of the structural elements of the Property, including the Buildings and the Common Areas.

20. DEFAULT

20.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder by Tenant:

(a) If Tenant fails to make any payment of Rent or any other payment required hereunder, as and when due, and such failure shall continue for a period of five (5) days after notice thereof from Landlord to Tenant; provided, however, an Event of Default shall occur hereunder without any obligation of Landlord to give any notice if (i) Tenant fails to make any payment within five (5) days after the due date therefor, and (ii) Landlord has given Tenant written notice under this Section 20.1(a) on more than two (2) occasions during the twelve (12) month interval preceding such failure by Tenant;

(b) If Tenant shall abandon the Premises (whether or not the keys shall have been surrendered or the Rent shall have been paid);

(c) If Tenant shall fail to execute and deliver to Landlord an estoppel certificate pursuant to Section 16 above or a subordination, non-disturbance and attornment agreement pursuant to Section 22 below, within the timeframes set forth therein;

(d) If Tenant shall fail to maintain any insurance required hereunder and such failure is not cured within ten (10) days of Landlord's written notice to Tenant thereof;

(e) If Tenant shall fail to restore the Security Deposit to its original amount or deliver a replacement Letter of Credit as required under Section 7 above, within the timeframes set forth therein;

(f) If Tenant causes or suffers any release of Hazardous Materials in or near the Property;

(g) If Tenant shall make a Transfer in violation of the provisions of Section 13 above; or if any event shall occur or any contingency shall arise whereby this Lease, or the term and estate thereby created, would (by operation of law or otherwise) devolve upon or pass to any person, firm or corporation other than Tenant, except as expressly permitted under Section 13 hereof;

(h) Intentionally omitted;

(i) The failure by Tenant to observe or perform any of the material covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified above, and such failure continues for more than thirty (30) days after notice thereof from Landlord; provided, further, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than ninety (90) days from the date of such notice from Landlord;

(j) Tenant becomes insolvent as evidenced by an admission in writing by Tenant of Tenant's inability to pay its debts generally as they become due;

(k) Tenant shall make a general assignment or trust mortgage, or other general conveyance or transfer of like nature, of all or a substantial part of its property for the benefit of its creditors,

(l) an attachment on mesne process, on execution or otherwise, or other legal process shall issue against Tenant or its property generally and a sale of its assets shall be held thereunder;

(m) any judgment, attachment or the like in excess of $1,000,000 shall be entered, recorded or filed against Tenant in any court, registry, etc. and Tenant shall fail to pay such judgment within thirty (30) days after the judgment shall have become final beyond appeal or to discharge or secure by surety bond such lien, attachment, etc, within thirty (30) days of such entry, recording or filing, as the case may be;

(n) the leasehold hereby created shall be taken on execution or by other process of law and shall not be revested in Tenant within thirty (30) days thereafter;

(o) a receiver, sequesterer, trustee or similar officer shall be appointed by a court of competent jurisdiction to take charge of all or substantially all of Tenant's property and such appointment shall not be vacated within thirty (30) days; or

(p) any proceeding shall be instituted by or against Tenant pursuant to any of the provisions of any Act of Congress or State law relating to bankruptcy, reorganizations, arrangements, compositions or other relief from creditors, and, in the case of any proceeding instituted against it, if Tenant shall fail to have such proceedings dismissed within ninety (90) days or if Tenant is adjudged bankrupt or insolvent as a result of any such proceeding.

20.2 Remedies. Upon an Event of Default, Landlord may, by notice to Tenant, elect to terminate this Lease; and thereupon (and without prejudice to any remedies which might otherwise be available for arrears of Rent or preceding breach of covenant or agreement and without prejudice to Tenant's liability for damages as hereinafter stated), upon the giving of such notice, this Lease shall terminate as of the date specified therein as though that were the Expiration Date. Upon such termination, Landlord shall have the right to utilize the Security Deposit or draw down the entire Letter of Credit, as applicable, and apply the proceeds thereof to its damages hereunder. Without being taken or deemed to be guilty of any manner of trespass or conversion, and without being liable to indictment, prosecution or damages therefor, Landlord may, by lawful process in compliance with all Legal Requirements, enter into and upon the Premises (or any part thereof in the name of the whole); repossess the same, as of its former estate; and expel Tenant and those claiming under Tenant. The words "re-entry" and "re-enter" as used in this Lease are not restricted to their technical legal meanings.

20.3 Damages - Termination.

(a) Upon the termination of this Lease under the provisions of this Section 20, Tenant shall pay to Landlord Rent up to the time of such termination, shall continue to be liable for any preceding breach of covenant, and in addition, shall pay to Landlord as damages, at the election of Landlord, either:

(i) the amount (discounted to present value at the discount rate applicable to United States Treasury obligations having a maturity date that is the same as the date this Lease would have expired but for Tenant's Event of Default) by which, at the time of the termination of this Lease (or at any time thereafter if Landlord shall have initially elected damages under Section 20.3(a)(ii) below), (x) the aggregate of Rent projected over the period commencing with such termination and ending on the Expiration Date, exceeds (y) the aggregate projected rental value of the Premises for such period, taking into account a reasonable time period during which the Premises shall be unoccupied, plus all Reletting Costs (hereinafter defined); or

(ii) amounts equal to Rent which would have been payable by Tenant had this Lease not been so terminated, payable upon the due dates therefor specified herein following such termination and until the Expiration Date, *provided*, *however*, if Landlord shall re-let the Premises during such period, that Landlord shall credit Tenant with the net rents received by Landlord from such re-letting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such re-letting the expenses incurred or paid by Landlord, in good faith, in terminating this Lease, as well as the expenses incurred by Landlord, in good faith, of re-letting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other similar and dissimilar expenses properly chargeable against the Premises and the rental therefrom (collectively, "**Releting Costs**"), it being understood that any such re-letting may be for a period equal to or shorter or longer than the remaining Term; and *provided*, *further*, that (x) in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder and (y) in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this Section 20.3(a)(ii) to a credit in respect of any net rents from a re-letting except to the extent that such net rents are actually received by Landlord prior to the commencement of such suit. If the Premises or any part thereof should be re-let in combination with other space, then proper apportionment on a square foot area basis shall be made of the rent received from such re-letting and of the expenses of re-letting.

(b) In calculating the amount due under Section 20.3(a)(i), above, there shall be included, in addition to the Base Rent, all other considerations agreed to be paid or performed by Tenant, including without limitation Tenant's payment of the Property Management Fee Rent, on the assumption that all such amounts and considerations (but not including the Property Management Fee Rent) would have increased at the rate of three percent (3%) per annum for the balance of the remaining Term (i.e., had the Term expired but for Tenant's Event of Default).

(c) Suit or suits for the recovery of such damages, 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 would have expired if it had not been terminated hereunder.

(d) Nothing herein contained shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any Event of Default hereunder.

(e) Intentionally Omitted.

(f) Landlord agrees to use reasonable efforts to relet the Premises after Tenant vacates the Premises in the event that the Lease is terminated based upon a default by Tenant hereunder. Nothing herein shall obligate Landlord to market Tenant's Premises in a manner different from the manner in which Landlord markets other premises similar to the Premises that are within Landlord's control in the Buildings. In no event shall Landlord be required to (i) solicit or entertain negotiations with any other prospective tenants for the Premises until Landlord obtains full and complete possession of the Premises including, without limitation, the final and unappealable legal right to re-let the Premises free of any claim of Tenant (Landlord hereby agreeing that Tenant shall be deemed to have satisfied the conditions of this clause (i) if Tenant, and anyone claiming by, through, or under Tenant, have vacated and delivered the Premises to Landlord and Tenant has delivered to Landlord a letter irrevocably waiving any right which Tenant might have to recover possession of the Premises), (ii) relet the Premises before leasing other vacant space in the Building, (iii) lease the Premises for a rental less than the current fair market rental then prevailing for similar space in the Buildings, or (iv) enter into a lease with any proposed tenant that does not have, in Landlord's reasonable opinion, sufficient financial resources or operating experience to operate the Premises in a first-class manner.

If Landlord terminates this Lease during the Initial Term, no damages or other amounts shall be payable hereunder to Landlord related in any way to the Extension Term if Tenant at the time of termination had not yet provided the Extension Notice to Landlord.

20.4 Landlord's Self-Help; Fees and Expenses. If Tenant shall default in the performance of any covenant on Tenant's part to be performed in this Lease contained, including without limitation the obligation to maintain the Premises in the required condition pursuant to Section 10.1 above, Landlord may, upon reasonable advance notice, except that no notice shall be required in an emergency, immediately, or at any time thereafter, perform the same for the account of Tenant. Tenant shall, subject to the last sentence of this Section 20.4, pay to Landlord upon demand therefor, any costs incurred by Landlord in connection therewith, together with interest at the Default Rate until paid in full. In addition, Tenant shall pay all of Landlord's costs and expenses, including without limitation reasonable attorneys' fees, incurred (i) in enforcing any obligation of Tenant under this Lease or (ii) as a result of Landlord or any of the Landlord Parties, without its fault, being made party to any litigation pending by or against any of the Tenant Parties. In the event of any litigation between Landlord and Tenant, the losing party shall reimburse the prevailing party for its reasonable attorneys fees and court costs.

20.5 Waiver of Redemption, Statutory Notice and Grace Periods. Tenant does hereby waive and surrender all rights and privileges which it might have under or by reason of any present or future Legal Requirements to redeem the Premises or to have a continuance of this Lease for the Term hereby demised after being dispossessed or ejected therefrom by process of law or under the terms of this Lease or after the termination of this Lease as herein provided. Except to the extent prohibited by Legal Requirements, any statutory notice and grace periods provided to Tenant by law are hereby expressly waived by Tenant.

20.6 Remedies Not Exclusive. Except where explicitly set forth otherwise herein, the specified remedies to which Landlord or Tenant may resort hereunder are cumulative and are not intended to be exclusive of any remedies or means of redress to which Landlord or Tenant may at any time be lawfully entitled, and Landlord or Tenant may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

20.7 No Waiver. Landlord's or Tenant's failure to seek redress for violation, or to insist upon the strict performance, of any covenant or condition of this Lease, or any of the Rules and Regulations promulgated hereunder, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of such Rules and Regulations against Tenant and/or any other tenant in the Building shall not be deemed a waiver of any such Rules and Regulations. No provisions of this Lease shall be deemed to have been waived by either party unless such waiver be in writing signed by such party. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy ill this Lease provided.

20.8 Restrictions on Tenant's Rights. During the continuation of any Event of Default, (a) Landlord shall not be obligated to provide Tenant with any notice pursuant to Sections 2,3 and 2.4 above; and (b) Tenant shall not have the right to make, nor to request Landlord's consent or approval with respect to, any Alterations or Transfers.

20.9 Landlord Default. Notwithstanding anything to the contrary contained in the Lease, Landlord shall in no event be in default in the performance of any of Landlord's obligations under this Lease unless Landlord shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default, provided that, and so long as, Landlord commences to cure within 30 days) after notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation and Landlord thereafter diligently prosecutes such cure to completion. Except as expressly set forth in this Lease, Tenant shall not have the right to terminate or cancel this Lease or to withhold rent or to set-off or deduct any claim or damages against rent as a result of any default by Landlord or breach by Landlord of its covenants or any warranties or promises hereunder, except in the case of a wrongful eviction of Tenant from the Premises (constructive or actual) by Landlord, unless same continues after notice to Landlord thereof and an opportunity for Landlord to cure the same as set forth above, hr addition, Tenant shall not assert any right to deduct the cost of repairs or any monetary claim against Landlord from rent thereafter due and payable under this Lease. The foregoing shall not delay or affect Tenant's rights under Sections 9.7 or 15.2.

21. SURRENDER; ABANDONED PROPERTY; HOLD-OVER

21.1 Surrender.

(a) Upon the expiration or earlier termination of the Term, Tenant shall (i) peaceably quit and surrender to Landlord the Premises (including without limitation all fixed lab benches, fume hoods, electric, plumbing, heating and sprinkling systems, fixtures and outlets, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning and cooling equipment therein) broom clean, in good order, repair and condition excepting only ordinary wear and tear and damage by fire or other insured Casualty; (ii) remove all of Tenant's Property, including all autoclaves and cage washers and, to the extent specified by Landlord, Alterations made by Tenant; and (iii) repair any damages to the Premises or the Building caused by the installation or removal of Tenant's Property and/or such Alterations, ordinary wear and tear excepted. Tenant's obligations under this Section 21,1 (a) shall survive the expiration or earlier termination of this Lease.

(b) 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, acid neutralization systems and plumbing in and/or exclusively serving the Premises, and all exhaust or other ductwork in and/or exclusively serving the Premises, in each case which has carried or released or been contacted by any Hazardous Materials or other chemical or biological materials used in the operation of the Premises, and shall otherwise clean the Premises so as to permit the Surrender Plan (defined below) to be issued, At least thirty (30) days prior to the expiration of the Term (or, if applicable, within five (5) business days after any earlier termination of this Lease based upon Tenant's default or ten (10) business days after any earlier termination of this Lease for any reason other than Tenant's default), Tenant shall deliver to Landlord a reasonably detailed narrative description of the actions proposed (or required by any Legal Requirements) to be taken by Tenant in order to render the Premises (including any Alterations permitted or required by Landlord to remain therein) free of Hazardous Materials and otherwise released for unrestricted use and occupancy including without limitation, causing the Premises to be decommissioned in accordance with the regulations of the U.S. Nuclear Regulatory Commission and/or the Massachusetts Department of Public health (the "**MDPH**") for the control of radiation, and cause the Premises to be released for unrestricted use by the Radiation Control Program of the MDPH (the "**Surrender Plan**"). The Surrender Plan (i) shall be accompanied by a current list of (A) all Required Permits held by or on behalf of any Tenant Party with respect to Hazardous Materials in, on, under, at or about the Premises, and (B) Tenant's Hazardous Materials, and (ii) shall be subject to the review and approval of Landlord's environmental consultant. In connection with review and approval of the Surrender Plan, upon request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning the use of and operations within the Premises as Landlord shall request. On or before the expiration of the Term (or within thirty (30) days after any earlier termination of this Lease, during which period Tenant's use and occupancy of the Premises shall be governed by Section 21.3 below), Tenant shall deliver to Landlord a certification from a third party certified industrial hygienist reasonably acceptable to Landlord certifying that the Premises do not contain any Hazardous Materials and evidence that the approved Surrender Plan shall have been satisfactorily completed by a contractor acceptable to Landlord, 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 expiration of the Term (or, if applicable, the date which is thirty (30) days after any earlier termination of this Lease), free of Hazardous Materials and otherwise available for unrestricted use and occupancy as aforesaid. Landlord shall have the unrestricted right to deliver the Surrender Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties. Such third parties and the Landlord Parties shall be entitled to rely on the Surrender Report. 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 the use of Hazardous Materials by any of the Tenant Parties in, on, at, under or about the Premises, Landlord shall have the right to take any such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Property are surrendered in the condition required hereunder, the cost of which actions shall be reimbursed by Tenant as Additional Rent upon demand. Tenant's obligations under this Section 21.1(b) shall survive the expiration or earlier termination of the Term.

(c) No act or thing done by Landlord during the Term 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. Unless otherwise agreed by the patties in writing, no employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the expiration or earlier 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 this Lease or a surrender of the Premises.

(d) Notwithstanding anything to the contrary contained herein, Tenant shall, at its so le cost and expense, remove from the Premises, prior to the end of the Term, any item installed by or for Tenant and which, pursuant to Legal Requirements, must be removed therefrom before the Premises may be used by a subsequent tenant.

21.2 Abandoned Property. After the expiration or earlier termination of this Lease, if Tenant fails to remove any property from the Building or the Premises, which Tenant is obligated by the terms of this Lease to remove within five (5) business days after written notice from Landlord in the event of any earlier termination of this Lease based upon Tenant's default (or ten (10) business days after any earlier termination of this Lease for any reason other than Tenant's default), such property (the "**Abandoned Property**") shall be conclusively deemed to have been abandoned, and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any item of Abandoned Property shall be sold, Tenant hereby agrees that Landlord may receive and retain the proceeds of such sale and apply the same, at its option, to the expenses of the sale, the cost of moving and storage, any damages to which Landlord may be entitled under Section 20 hereof or pursuant to law, and to any arrears of Rent.

21.3 Holdover. If any of the Tenant Parties holds over (which term shall include, without limitation, the failure of Tenant or any Tenant Party to perform all of its obligations under Section 21.1 above) after the end of the Term, Tenant shall be deemed a tenant-at- sufferance subject to the provisions of this Lease; provided that whether or not Landlord has previously accepted payments of Rent from Tenant, (i) Tenant shall pay at the Hold Over Percentage, as hereinafter defined, of the Base Rent, at the highest rate of Base Rent payable during the Term, (ii) Tenant shall continue to pay to Landlord all Additional Rent, and (iii) Tenant shall be liable for all damages, including without limitation lost business and consequential damages, incurred by Landlord as a result of such holding over, Tenant hereby acknowledging that Landlord may need the Premises after the end of the Term for other tenants and that the damages which Landlord may suffer as the result of Tenant's holding over cannot be determined as of the Execution Date. The "Hold Over Percentage" shall be 150% for the first (1^{st}) sixty (60) days of hold over and 200% for any period of hold over thereafter. Nothing contained herein shall grant Tenant the right to holdover after the expiration or earlier termination of the Term.

21.4 Warranties. Tenant hereby assigns to Landlord any warranties in effect on the last day of the Term with respect to any fixtures and Alterations installed in the Premises and retained by the Landlord following expiration or earlier termination of the Lease. Tenant shall provide Landlord with copies of any such warranties prior to the expiration of the Term (or, if the Lease is earlier terminated, within ten (10) business days thereafter).

22. MORTGAGEE RIGHTS

22.1 Subordination. Tenant's rights and interests under this Lease shall be (i) subject and subordinate to any ground lease, overleases, mortgage, deed of trust, or similar instrument covering the Premises, the Building and/or the Land and to all advances, modifications, renewals, replacements, and extensions thereof (each of the foregoing, a "**Mortgage**"), or (ii) if any Mortgagee elects, prior to the lien of any present or future Mortgage. Tenant further shall attorn to and recognize any successor landlord, whether through foreclosure or otherwise, as if the successor landlord were the originally named landlord. The provisions of this Section 22.1 shall be self-operative and no further instrument shall be required to effect such subordination or attornment; however, Tenant agrees to execute, acknowledge and deliver such instruments, confirming such subordination and attornment in such form as shall be requested by any such holder within fifteen (15) days of request therefor. Landlord, at Tenant's cost, shall use Landlord's best efforts to obtain a commercially reasonable non-disturbance agreement ("**NDA**"), in the form attached hereto as Exhibit 11, acceptable to Tenant in favor of Tenant (and if so requested, any sublease or transferee following a Transfer) from any current and future Mortgagee(s), lease holders and other parties encumbering, and/or with superior interests to Tenant in, the Property, or any portion thereof, where such NDA shall provide, at minimum, that such third parties will not disturb Tenant's peaceful occupancy and holding of the Premises under this Lease. The NDA may be included in the document that sets forth the subordination and attornment referenced above in this Section 22.1.

22.2 Notices. Tenant shall give each Mortgagee the same notices given to Landlord concurrently with the notice to Landlord, and each Mortgagee shall have a reasonable opportunity thereafter to cure a Landlord default, and Mortgagee's curing of any of Landlord's default shall be treated as performance by Landlord.

22.3 Mortgagee Consent. Tenant acknowledges that, where applicable, any consent or approval hereafter given by Landlord may be subject to the further consent or approval of a Mortgagee; and the failure or refusal of such Mortgagee to give such consent or approval shall, notwithstanding anything to the contrary in this Lease contained, constitute reasonable justification for Landlord's withholding its consent or approval.

22.4 Mortgagee Liability. Tenant acknowledges and agrees that if any Mortgage shall be foreclosed, (a) the liability of the Mortgagee and its successors and assigns shall exist only so long as such Mortgagee or purchaser is the owner of the Premises, and such liability shall not continue or survive after further transfer of ownership; and (b) such Mortgagee and its successors or assigns shall not be (i) liable for any act or omission of any prior lessor under this Lease; (ii) liable for the performance of Landlord's covenants pursuant to the provisions of this Lease which arise and accrue prior to such entity succeeding to the interest of Landlord under this Lease or acquiring such right to possession; (iii) subject to any offsets or defense which Tenant may have at any time against Landlord; (iv) bound by any base rent or other sum which Tenant may have paid previously for more than one (1) month; or (v) liable for the performance of any covenant of Landlord under this Lease which is capable of performance only by the original Landlord.

23. QUIET ENJOYMENT.

Landlord covenants that so long as Tenant keeps and performs each and every monetary and material non-monetary covenant, agreement, term, provision and condition herein contained on the part and on behalf of Tenant to be kept and performed, Tenant shall peaceably and quietly hold, occupy and enjoy the Premises, the Storage Premises and the PH System Premises during the Term from and against the claims of all persons lawfully claiming by, through or under Landlord subject, nevertheless, to the covenants, agreements, terms, provisions and conditions of this Lease, any matters of record or of which Tenant has knowledge and to any Mortgage to which this Lease is subject and subordinate, as hereinabove set forth.

24. NOTICES.

Any notice, consent, request, bill, demand or statement hereunder (each, a "**Notice**") by either party to the other party shall be in writing and shall be deemed to have been duly given when either delivered by hand, first class U.S. mail, certified or return receipt requested, or by nationally recognized overnight courier (in either case with evidence of delivery or refusal thereof) addressed as follows:

If to Land lord:	c/o Jamestown 675 Ponce de Leon Avenue, 7th Floor Atlanta, GA 30308 Attn: Managing Director of Asset Management - and - c/o Jamestown Chelsea Market 75 Ninth Avenue, 5th Floor New York, NY 10011 Attn: 245 First Street Asset Manager
With a copy to:	Goulston & Storrs PC 400 Atlantic Avenue Boston, MA 02110-3333 Attn: Amy Moody McGrath, Esq.
if to Tenant;	245 First Street Cambridge, MA 02142 Attention: Jeb Ledell, COO

With a copy to: Outside GC LLC
176 Federal Street, 5th Floor
Boston, MA 02110
Attn: Jordan P. Karp, Esq.

Notwithstanding the foregoing, any notice from Landlord to Tenant regarding ordinary business operations (e.g., exercise of a right of access to the Premises, maintenance activities, invoices, etc.) may also be given by written notice delivered by facsimile to any person at the Premises whom Landlord reasonably believes is authorized to receive such notice on behalf of Tenant without copies as specified above. Either party may at any time change the address or specify an additional address for such Notices by delivering or mailing, as aforesaid, to the other party a notice stating the change and setting forth the changed or additional address, provided such changed or additional address is within the United States. Notices shall be effective upon the date of receipt or refusal thereof.

25. MISCELLANEOUS

25.1 Separability. If any provision of this Lease or portion of such provision or the application thereof to any person or circumstance is for any reason held invalid or unenforceable, 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. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25.2 Captions. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent of any provisions thereof.

25.3 Broker. Tenant and Landlord each warrants and represents that it has dealt with no broker in connection with the consummation of this Lease other than Cushman & Wakefield and Transwestern (collectively, "**Broker**"). Tenant and Landlord each agrees to defend, indemnify and save the other harmless from and against any Claims arising in breach of the representation and warranty set forth in the immediately preceding sentence. Landlord shall be solely responsible for the payment of any and all brokerage commissions to Broker.

25.4 Entire Agreement. This Lease, Lease Summary Sheet and Exhibits 1-8 attached hereto and incorporated herein contain the entire and only agreement between the parties and any and all statements and representations, written and oral, including previous correspondence and agreements between the parties hereto, are merged herein and superseded hereby. Landlord and Tenant acknowledges that all representations and statements upon which it relied in executing this Lease are contained herein and that it in no way relied upon any other statements or representations, written or oral. This Lease may not be modified orally or in any manner other than by written agreement signed by the parties hereto.

25.5 Governing Law. This Lease is made pursuant to, and shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts and any applicable local municipal rules, regulations, by-laws, ordinances and the like, without application of any conflicts of law provisions that would otherwise apply the substantive law of any other jurisdiction.

25.6 Representation of Authority. By his or her execution hereof, each of the signatories on behalf of the respective parties hereby warrants and represents to the other that he or she is duly authorized to execute this Lease on behalf of such party. Upon a party's request, the other party shall provide evidence that any requisite resolution, corporate authority and any other necessary consents have been duly adopted and obtained.

25.7 Expenses Incurred by Landlord upon Tenant Requests. Tenant shall, upon demand, reimburse Landlord for all reasonable out-of-pocket expenses, including, without limitation, legal fees, incurred by Landlord in connection with all requests by Tenant for consents, approvals or execution of collateral documentation related to this Lease, including, without limitation, costs incurred by Landlord in the review and approval of Tenant's plans and specifications in connection with proposed Alterations to be made by Tenant to the Premises or in connection with requests by Tenant for Landlord's consent to make a Transfer. Such costs shall be deemed to be Additional Rent under this Lease.

25.8 Survival. Without limiting any other obligation of Tenant or Landlord which may survive the expiration or prior termination of the Term, all obligations on the part of Tenant to indemnify, defend, or hold Landlord harmless, as set forth in this Lease shall survive the expiration or prior termination of the Term.

25.9 Limitation of Liability. Tenant shall neither assert nor seek to enforce any claim against Landlord or any of the other Landlord Parties, or the assets of any of the Landlord Parties, for breach of this Lease or otherwise, other than against Landlord's interest in the Property and in the uncollected rents, issues and profits thereof, and Tenant agrees to look solely to such interest for the satisfaction of any liability of Landlord under this Lease. This Section 25.9 shall not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or any other Landlord Parties. Landlord and Tenant specifically agree that in no event shall any individual that is an officer, director, trustee, employee or representative of Landlord or Tenant or any of the other Landlord Parties or Tenant Parties, ever be personally liable for any obligation under this Lease. Notwithstanding anything to the contrary herein contained, neither Landlord nor any of the other Landlord Parties shall be liable for consequential or incidental damages or for lost profits whatsoever in connection with this Lease. Notwithstanding anything to the contrary herein contained, neither Tenant nor any of the other Tenant Parties shall be liable for consequential or incidental damages or for lost profits in connection with this Lease, except that the provisions of this sentence will not affect or limit Tenant's liability in the event of any breach by Tenant of its obligations under Sections 17, 21.1, or 21.3 of this Lease.

25.10 Binding Effect. The covenants, agreements, terms, provisions and conditions of this Lease shall bind and benefit the successors and assigns of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to, except that no violation of the provisions of Section 13 hereof shall operate to vest any rights in any successor or assignee of Tenant.

25.11 Landlord Obligations upon Transfer. Upon any sale, transfer or other- disposition of the Building, Landlord shall be entirely freed and relieved from the performance and observance thereafter of all covenants and obligations hereunder on the part of Landlord to be performed and observed, it being understood and agreed in such event (and it shall be deemed and construed as a covenant running with the land) that the person succeeding to Landlord's ownership of said reversionary interest shall thereupon and thereafter assume, and perform and observe, any and all of such covenants and obligations of Landlord, except as otherwise agreed in writing.

25.12 No Grant of Interest. Tenant shall not grant any interest whatsoever in any fixtures within the Premises or any item paid in whole by the Allowance (as defined in Exhibit 3) or otherwise by Landlord.

25.13 Financial Information. Tenant shall deliver to Landlord, within thirty (30) days after Landlord's reasonable request, Tenant's most recently completed balance sheet and related statements of income, shareholder's equity and cash flows statements (audited if available) reviewed by an independent certified public accountant and certified by an officer of Tenant as being true and correct in all material respects. Any such financial information may be relied upon by any actual or potential lessor, purchaser, or mortgagee of the Property or any portion thereof.

25.14 OFAC Certificate and Indemnity. Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 10756, the "**Patriot Act**") prohibit certain property transfers. Tenant hereby represents and warrants to Landlord (which representations and warranties shall be deemed to be continuing and re-made at all times during the Term) that neither Tenant nor to Tenant's knowledge any stockholder, manager, beneficiary, partner, or principal of Tenant is subject to the Executive Order, that none of them is listed on the United States Department of the Treasury Office of Foreign Assets Control ("**OFAC**") 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. The most current list of "Specially Designated Nationals and Blocked Persons" can be found at http://www.treas.gov/offices/eotffc/ofac/sdn/index.html. Tenant shall from time to time, within ten (10) days after request by Landlord, deliver to Landlord any certification or other evidence requested from time to time by Landlord in its reasonable discretion, confirming Tenant's compliance with these provisions. No assignment or subletting, other than a Related Party Transfer, shall be effective unless and until the assignee or subtenant thereunder delivers to Landlord written confirmation of such party's compliance with the provisions of this subsection, in form and content satisfactory to Landlord, in the exercise of its reasonable discretion. If for any reason the representations and warranties set forth in this subsection, or any certificate or other evidence of compliance delivered to Landlord hereunder, is untrue in any material respect when made or delivered, or thereafter becomes untrue in any material respect, then an Event of Default hereunder shall be deemed to occur immediately, and there shall be no opportunity to cure. Tenant shall indemnify, defend with counsel reasonably acceptable to Landlord, and hold Landlord harmless from and against, any and all Claims arising from or related to the breach of any of the foregoing representations, warranties, and duties of Tenant. The provisions of this subsection shall survive the expiration or earlier termination of this Lease for the longest period permitted by law.

25.15 Confidentiality.

(a) Tenant's Obligations. Tenant acknowledges and agrees that the terms of this Lease are confidential. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases with respect to the Building and may impair Landlord's relationship with other tenants of the Building. Tenant agrees that it and its partners, officers, directors, employees, brokers, and attorneys, if any, shall not disclose the terms and conditions of this Lease to any other person or entity without the prior written consent of Landlord which may be given or withheld by Landlord, in Landlord's sole discretion, except as required for financial disclosures or securities law filings, as required by the order of any court or public body with authority over Tenant or otherwise required by law, in connection with any litigation between Landlord and Tenant with respect this Lease, or if such information becomes publicly available through no breach of this Lease by Tenant. In addition, Tenant shall have the right to disclose the terms of this Lease to any of Tenant's lenders, provided that Tenant advises such lenders that Tenant is subject to the confidentiality terms set forth in this Section 25.15(a).

(b) Landlord's Obligations.

(i) Landlord acknowledges and agrees to hold any and all information of any kind provided by, or on behalf of, Tenant relating to Tenant's business in the Premises and identified by Tenant to Landlord (i) in writing as confidential or (ii) verbally at the time that Landlord or its representative observes the same (all the foregoing, "**Tenant Information**"), confidential and not to disclose such to any third parties except for the specific Tenant Information that is permitted under this Lease elsewhere to be disclosed by Landlord to a third party. Landlord shall not use Tenant Information for any purpose other than performing its obligations and exercising its rights under this Lease or otherwise during the ordinary course of Landlord's business. Tenant Information shall not include information which:

(1) is generally known to the public at the time of disclosure or observation by Landlord;

(2) becomes generally known to the public after disclosure hereunder other than by breach of this Lease by Landlord (or any third party to which Landlord disclosed Tenant Information pursuant to the terms of the Lease);

(3) is provided to Landlord by a third party who is lawfully entitled to possession of such Tenant Information and who does not violate any obligation to Tenant by providing such Tenant Information to the Landlord free of restriction, or

(4) is independently developed by employees or agents of the Landlord without the use of Tenant Information.

(ii) Notwithstanding anything to the contrary herein contained:

(1) Nothing herein shall preclude Landlord from disclosing information required by applicable Legal Requirements, court order, or in connection with litigations between the parties. In the event that Landlord is required by court order or governmental authority or other legal compulsion to disclose Tenant Information, Landlord shall use reasonable efforts to promptly inform Tenant in writing so that Tenant may seek a protective order or other appropriate remedy. Landlord shall, if so requested, cooperate, at no cost to Landlord, with Tenant in such manner as Tenant may reasonably request in connection with Tenant's efforts to obtain any such order or other remedy. In the event that no such protective order or other remedy is obtained, then Tenant may furnish only that portion of the Tenant Information which Landlord is advised by counsel that it is legally required to disclose and shall exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to the Tenant Information.

(2) Landlord shall have the right to disclose Tenant Information to Landlord's mortgagees, investors, purchasers (as well as prospective mortgagees, investors and purchasers), directors, officers, accounts, attorneys, consultants, contractors and others who have the need to know such Tenant Information in the ordinary course of Landlord's business.

(3) Where Landlord is permitted under this Lease to disclose specific Tenant Information to a third party, it shall only do so after Landlord advises such third party that Landlord is subject to the confidentiality obligations set forth in this Section 25.15(b).

(c) It is understood and agreed that damages alone might not be an adequate remedy for the breach of this Section 25.15 by Tenant or Landlord, and Landlord or Tenant, as the case may be, shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach.

IN WITNESS WHEREOF the parties hereto have executed this Lease as a sealed instrument as of the Execution Date.

LANDLORD:

JAMESTOWN PREMIER 245 FIRST, LLC,
a Delaware limited liability company

By: /s/ Shegun Holder
Name: Shegun Holder
Title: Authorized Signatory

TENANT:

HORIZON DISCOVERY INC.,
a Delaware corporation

By: /s/ Jeb Ledell
Name: Jeb Ledell
Title: COO

EXHIBIT 1

LEASE PLAN

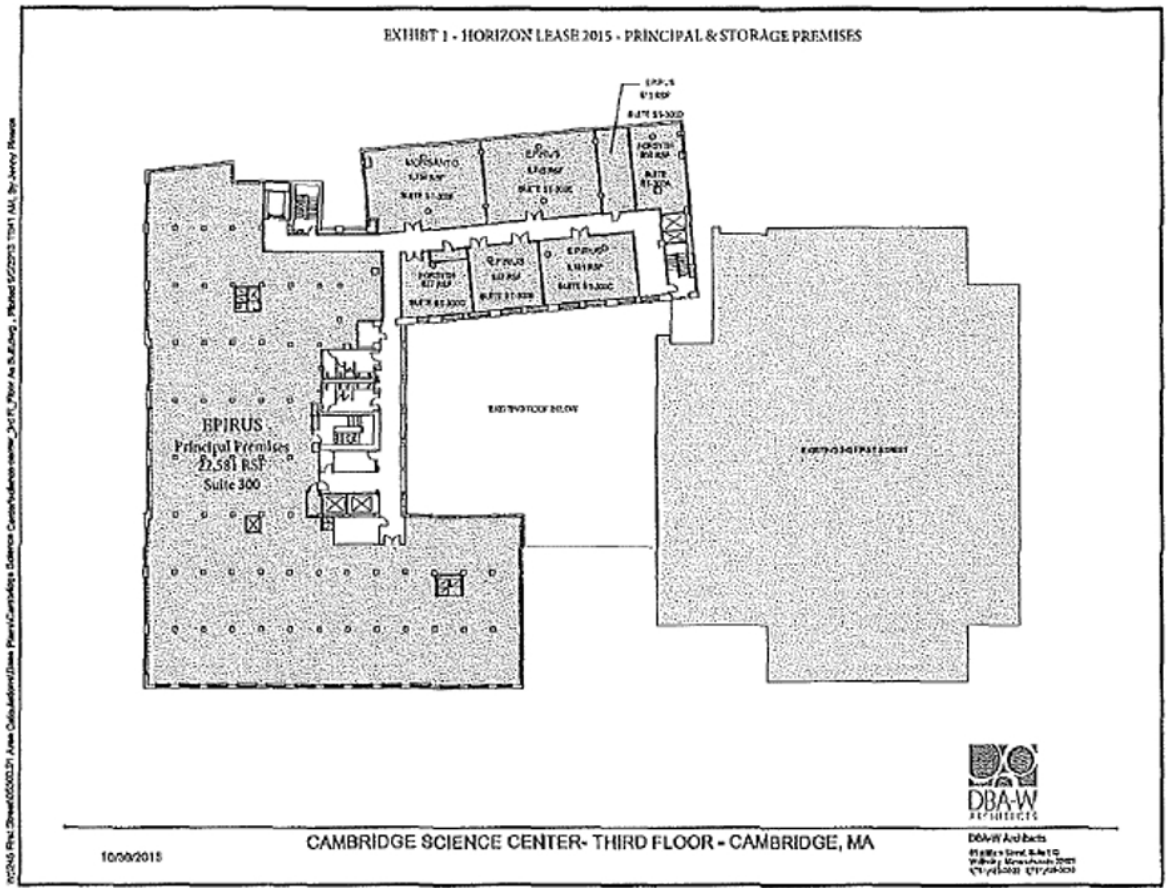


EXHIBIT 1-1

PH SYSTEM PREMISES PLAN

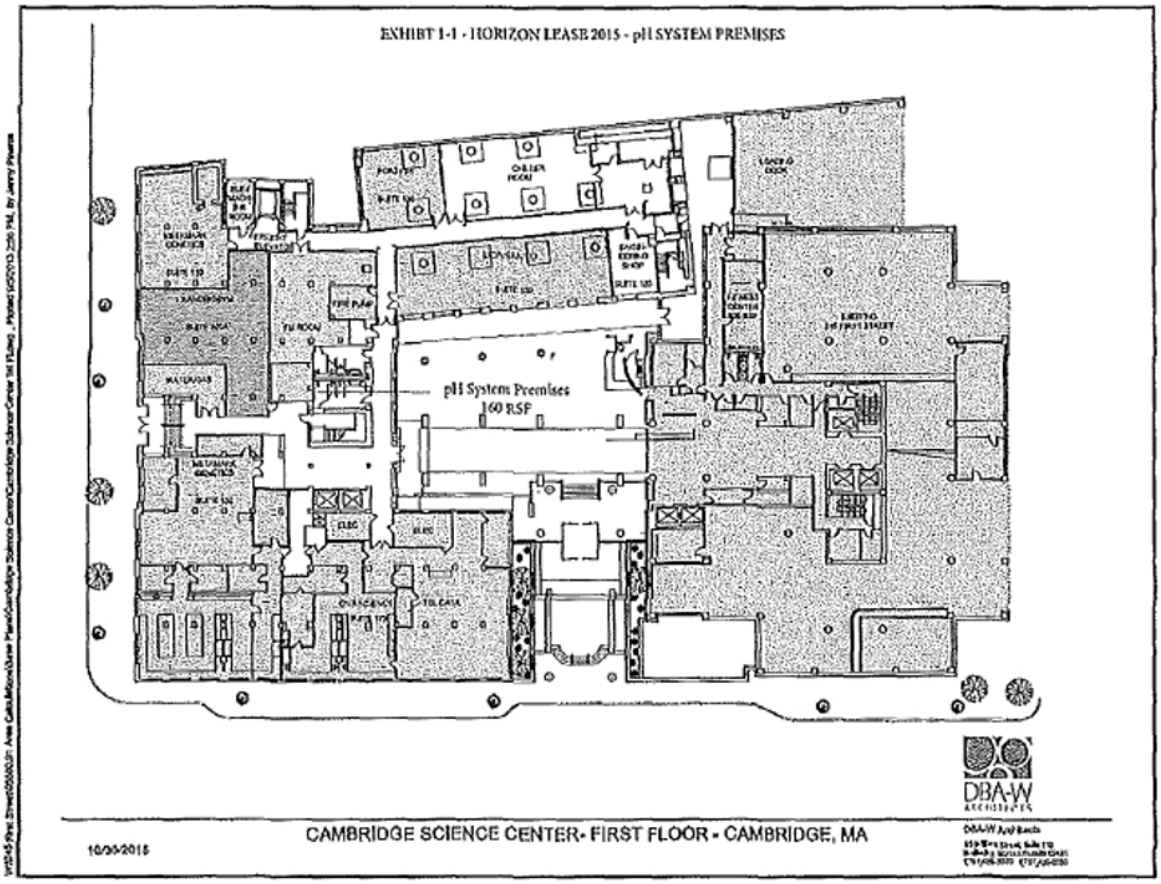


EXHIBIT 1-2

MATTERS OF RECORD

1. Agreement by and between Austin Ford and Son Company and The Carter's Ink Company dated June 27, 1908, recorded in Book 3378, Page 383.

2. Decision by the Cambridge Board of Appeals granting a Variance, Notice of which is dated November 15,1961 and recorded in Book 9935, Page 484.

3. Notice of Decision by the City of Cambridge Planning Board dated July 13,1983, recorded in Book 15468, Page 10, as affected by Notice of Decision by the City of Cambridge Planning Board dated May 9,2003, recorded in Book 39612, Page 323.

4. Decision by the City of Cambridge Board of Zoning Appeal dated April 11,2005, recorded In Book 45154, Page 349.

5. Easement from M.L. Properties, Inc., and Riverview Building Limited Partnership to Cambridge Electric Light Company dated July 25,1983, recorded in Book 15145, Page 535.

EXHIBIT 2

LEGAL DESCRIPTION

The land in Cambridge, Middlesex County, Massachusetts, situated on First Street, and being shown as Lot B on a plan entitled, “Plan of Land in Cambridgeport Belonging to Henry M. Whitney” dated March 21,1903, prepared by W.A. Mason & Son, Surveyors, and recorded with the Middlesex South District Registry of Deeds in Plan Book 142, Plan 37, to which plan reference is hereby made for a more particular description.

Lot B contains 70,489+ square feet, according to said plan.

EXHIBIT 3

TENANT'S WORK

This Exhibit is attached to and made a part of the Indenture of Lease (the "**Lease**") by and between **JAMESTOWN PREMIER 245 FIRST, LLC**, a Delaware limited liability company ("**Landlord**"), and **HORIZON DISCOVERY INC.**, a Delaware corporation ("**Tenant**"), for space in the Building located at 245 First Street, Cambridge, Massachusetts 02142. Capitalized terms used but not defined herein shall have the meanings given in the Lease.

1. Performance of Initial Alterations. Tenant, following the delivery of the Premises by Landlord and the full and final execution and delivery of the Lease to which this Exhibit is attached and all prepaid rental, if any, and security deposits required under such agreement, shall have the right to perform alterations and improvements in the Premises (the "**Initial Alterations**"). Notwithstanding the foregoing, Tenant and its contractors shall not have the right to perform Initial Alterations in the Premises unless and until Tenant has complied with all of the terms and conditions of Section 9.03 of the Lease, including, without limitation, approval by Landlord of the final plans for the Initial Alterations and the contractors to be retained by Tenant to perform such Initial Alterations. Tenant shall be responsible for all elements of the design of Tenant's plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval of Tenant's plans shall in no event relieve Tenant of the responsibility for such design. Landlord's approval of Tenant's plans for the Initial Alterations shall not be unreasonably withheld, conditioned or delayed. Unless otherwise expressly agreed to by Landlord in writing, Tenant's plans shall be consistent with the Building's standards for leasehold improvements. Landlord's approval of the contractors to perform the Initial Alterations shall not be unreasonably withheld, conditioned or delayed. The parties agree that Landlord's approval of the general contractor to perform the Initial Alterations shall not be considered to be unreasonably withheld if any such general contractor (i) does not have trade references reasonably acceptable to Landlord, (ii) does not maintain insurance as required pursuant to the terms of this Lease, (iii) does not have the ability to be bonded for the work in an amount of no less than 150% of the total estimated cost of the Initial Alterations, or (iv) is not licensed as a contractor in the state/municipality in which the Premises is located. Tenant acknowledges the foregoing is not intended to be an exclusive list of the reasons why Landlord may reasonably withhold its consent to a general contractor. Tenant shall ensure that all contractors performing the Initial Alterations include Landlord and such other parties as Landlord shall require as additional insureds on the insurance policies maintained by such contractors.

2. Budget and Landlord's Share. Promptly after Landlord approves Tenant's plans for the Initial Alterations, Tenant shall deliver to Landlord an itemized statement (the "**Budget**") of the estimated hard and soft costs of the Initial Alterations (the "**Estimated Cost**"). Tenant shall, on a monthly basis, deliver to Landlord an updated Budget of the Estimated Cost, based upon the information then available to Tenant. "Landlord's Share" shall be defined as follows; (i) if the Estimated Cost, as set forth in the then current Budget is less than, or equal to, the Maximum Amount of the Allowance, as hereinafter defined, then Landlord's Share shall be 100%, and (ii) if the Estimated Cost, as set forth in the then current Budget, is greater than the Maximum Amount, then Landlord's Share shall be equal to a fraction, the numerator of which is the Maximum Amount, and the denominator of which is the Estimated Cost, as set forth in the then current Budget.

3. Definition of Allowance. Subject to the terms and conditions of this Exhibit, Landlord agrees to contribute an amount (the "**Allowance**") not to exceed of $338,715.00 (the "**Maximum Amount**") toward the cost of performing the Initial Alterations in preparation of Tenant's occupancy of the Premises. The Allowance may only be used for the costs (the "**Permitted Costs**") incurred by Tenant: (i) in preparing design and construction documents and mechanical and electrical plans for the Initial Alterations, installing data/telecom cabling, and the purchasing of furniture (collectively, the "**Soft Costs**"), and (ii) the hard costs in connection with the Initial Alterations (collectively, the "**Hard Costs**"). No more than fifteen percent (15%) of the Maximum Amount may be used to pay for Soft Costs. In no event shall Permitted Costs include the cost of equipment, furniture or other items of personal property of Tenant.

4. Payment Procedures. Landlord shall, subject to the provisions of this Exhibit, pay Landlord's Share of the amount requested by Tenant pursuant to each Requisition, as hereinafter defined, to Tenant or, at Landlord's option, to the order of the general contractor that performs the Initial Alterations, within 30 days after Landlord's receipt of such Requisition, In no event shall Landlord be required to: (i) pay more than the Maximum Amount of the Allowance towards Permitted Costs, (ii) disburse the Allowance more than one time per month, or (iii) pay more than the Maximum Amount of the Allowance. Notwithstanding anything herein to the contrary, Landlord shall not be obligated to disburse any portion of the Allowance during the continuance of an uncured default under the Lease, and Landlord's obligation to disburse shall only resume when and if such default is cured, Landlord shall have the right, upon reasonable advance notice to Tenant, to inspect Tenant's books and records relating to each Requisition in order to verify the amount thereof.

5. Requisition. A "**Requisition**" shall be defined as the following documentation: (i) an application for payment and sworn statement of contractor substantially in the form of AIA Document G-702 covering all work for which disbursement is to be made to a date specified therein; (ii) a certification from an AIA architect substantially in the form of the Architect's Certificate for Payment which is located on AIA Document G702, Application and Certificate of Payment; (iii) Contractor's, subcontractor's and material supplier's waivers of liens which shall cover all Initial Alterations for which disbursement is being requested and all other statements and forms required for compliance with the mechanics' lien laws of the state in which the Premises is located, together with all such invoices, contracts, or other supporting data as Landlord or Landlord's Mortgagee may reasonably require; (iv) a cost breakdown for each trade or subcontractor performing the Initial Alterations; (v) plans and specifications for the Initial Alterations, together with a certificate from an AIA architect that such plans and specifications comply in all material respects with all laws affecting the Building, Property and Premises; (vi) copies of all construction contracts for the Initial Alterations, together with copies of all change orders, if any; and (vii) a request to disburse from Tenant containing an approval by Tenant of the work done and a good faith estimate of the cost to complete the Initial Alterations. In addition, the final Requisition (i.e,, after the completion of the Initial Alterations, and prior to final disbursement of the Allowance) shall include the following documentation: (1) general contractor and architect's completion affidavits, (2) full and final waivers of lien from all contractors, subcontractors and material suppliers, (3) receipted bills covering all labor and materials expended and used, (4) as-built plans of the Initial Alterations, and (5) the certification of Tenant and its architect that the Initial Alterations have been installed in a good and workmanlike manner in accordance with the approved plans, and in accordance with Legal Requirements, codes and ordinances.

6. Outside Draw Date. If Tenant does not submit a request for payment of the entire Allowance to Landlord in accordance with the provisions contained in this Exhibit by January 31, 2018, any unused amount shall accrue to the sole benefit of Landlord, it being understood that Tenant shall not be entitled to any credit, abatement or other concession in connection therewith. Tenant shall be responsible for all applicable state sales or use taxes, if any, payable in connection with the Initial Alterations and/or Allowance.

7. No Administration and Supervision Fee. Tenant shall not be required to pay an administration and supervision fee to Landlord or to Landlord's Building manager as compensation for the review of Tenant's plans and other services rendered by the Building manager in connection with the Initial Alterations.

8. "As Is" Condition of Premises. Except as otherwise provided for in the Lease, Tenant agrees to accept the Premises in its "as-is" condition and configuration, it being agreed that Landlord shall not be required to perform any work or, except as provided above with respect to the Allowance, incur any costs in connection with the construction or demolition of any improvements in the Premises. This Exhibit shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

9. Miscellaneous. Tenant shall have right to use the freight elevator and loading dock on a twenty-four-(24)-hour basis at no additional charge.

EXHIBIT 4

INTENTIONALLY OMITTED

EXHIBIT 5

FORM OF LETTER OF CREDIT

[See Attached]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVBSF010522

DATE: OCTOBER 28, 2015

ISSUING BANK:
SILICON VALLEY BANK
3003 TASMAN DRIVE
2ND FLOOR, MAIL SORT HF210
SANTA CLARA, CALIFORNIA 95054

BENEFICIARY:
JAMESTOWN PREMIER 245 FIRST, LLC
675 PONCE DE LEON AVENUE, 7TH FLOOR
ATLANTA, GA 30308

APPLICANT:
HORIZON DISCOVERY INC.
245 FIRST ST., THIRD FLOOR
CAMBRIDGE MA 02142

AMOUNT: USD 560,234.61 (FIVE HUNDRED SIXTY THOUSAND TWO HUNDRED THIRTY FOUR AND 61/100 U.S. DOLLARS)

EXPIRATION DATE: OCTOBER 28, 2016

LOCATION: SANTA CLARA, CALIFORNIA

DEAR SIR/MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVBSF010522 IN YOUR FAVOR AVAILABLE BY YOUR DRAFTS DRAWN ON US AT SIGHT IN THE FORM OF EXHIBIT “A” ATTACHED AND ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1 THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.

2. BENEFICIARY’S SIGNED STATEMENT STATING AS FOLLOWS:

“WE HEREBY CERTIFY THAT THE DRAFT ACCOMPANYING THIS STATEMENT REPRESENTS THE AMOUNT DUE TO US UNDER THE TERMS AND CONDITIONS UNDER THAT CERTAIN LEASE AGREEMENT BETWEEN HORIZON DISCOVERY INC., AS TENANT, AND JAMESTOWN PREMIER 24 FIRST, LLC, AS LANDLORD.”

PARTIAL DRAWS AND MULTIPLE PRESENTATIONS ARE ALLOWED.

THIS ORIGINAL LETTER OF CREDIT MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY UNLESS IT IS FULLY UTILIZED.

IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVBSF010522

DATE: OCTOBER 28, 2015

THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR, WITHOUT AMENDMENT, FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS AT LEAST 60 DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE WE SEND YOU A NOTICE BY REGISTERED MAIL OR OVERNIGHT COURIER SERVICE AT THE ABOVE ADDRESS (OR ANY OTHER ADDRESS INDICATED BY YOU, IN A WRITTEN NOTICE TO US THE RECEIPT OF WHICH WE HAVE ACKNOWLEDGED, AS THE ADDRESS TO WHICH WE SHOULD SEND SUCH NOTICE) THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND THE CURRENT EXPIRATION DATE. IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND MARCH 31, 2024. IN THE EVENT OF SUCH NOTICE OF NON-EXTENSION, YOU MAY DRAW HEREUNDER WITH A DRAFT STATED ABOVE AND ACCOMPANIED BY THIS ORIGINAL LETTER OF CREDIT AND AMENDMENT(S), IF ANY, ALONG WITH YOUR SIGNED STATEMENT AS SET FORTH ABOVE.

THIS LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES, BUT IN EACH INSTANCE ONLY TO A SINGLE BENEFICIARY AS TRANSFEREE AND ONLY UP TO THE THEN AVAILABLE AMOUNT, ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE WOULD BE IN COMPLIANCE WITH THEN APPLICABLE LAW AND REGULATION, INCLUDING BUT NOT LIMITED TO THE REGULATIONS OF THE U. S. DEPARTMENT OF TREASURY AND U. S. DEPARTMENT OF COMMERCE. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S), IF ANY, MUST BE SURRENDERED TO US AT OUR ADDRESS INDICATED IN THIS LETTER OF CREDIT TOGETHER WITH OUR TRANSFER FORM ATTACHED HERETO AS EXHIBIT “B” DULY EXECUTED, THE CORRECTNESS OF THE SIGNATURE AND TITLE OF THE PERSON SIGNING THE TRANSFER FORM MUST BE VERIFIED BY BENEFICIARY’S BANK. APPLICANT SHALL PAY OUR TRANSFER FEE OF W OF 1% OF THE TRANSFER AMOUNT (MINIMUM US$250.00) UNDER THIS LETTER OF CREDIT, PROVIDED HOWEVER, THAT PAYMENT OF OUR TRANSFER FEE SHALL NOT BE A CONDITION TO THE TRANSFER OF THE LETTER OF CREDIT.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT,

ALL DEMANDS FOR PAYMENT SHALL BE MADE BY PRESENTATION OF THE ORIGINAL APPROPRIATE DOCUMENTS ON A BUSINESS DAY AT OUR OFFICE (THE “BANK’S OFFICE”) AT: SILICON VALLEY BANK, 3003 TASMAN DRIVE, SANTA CLARA, CA 95054, ATTENTION: STANDBY LETTER OF CREDIT NEGOTIATION SECTION OR BY FACSIMILE TRANSMISSION AT: (408) 496-2418 OR (408) 969-6510 ; AND SIMULTANEOUSLY UNDER TELEPHONE ADVICE TO: (408) 654-6274 OR (408) 654-7716, ATTENTION: STANDBY LETTER OF CREDIT NEGOTIATION SECTION WITH ORIGINALS TO FOLLOW BY OVERNIGHT COURIER SERVICE; PROVIDED, HOWEVER, THE BANK WILL DETERMINE HONOR OR DISHONOR ON THE BASIS OF PRESENTATION BY FACSIMILE ALONE, AND WILL NOT EXAMINE THE ORIGINALS.

IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVBSF010522

DATE: OCTOBER 28, 2015

WE HEREBY AGREE WITH THE BENEFICIARY THAT DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION TO US ON OR BEFORE THE EXPIRATION DATE OF THIS LETTER OF CREDIT OR ANY AUTOMATICALLY EXTENDED EXPIRATION DATE.

IF ANY INSTRUCTIONS ACCOMPANYING A DRAWING UNDER THIS LETTER OF CREDIT REQUEST THAT PAYMENT IS TO BE MADE BY TRANSFER TO YOUR ACCOUNT WITH ANOTHER BANK, WE WILL ONLY EFFECT SUCH PAYMENT BY FED WIRE TO A U.S. REGULATED BANK, AND WE AND/OR SUCH OTHER BANK MAY RELY ON AN ACCOUNT NUMBER SPECIFIED IN SUCH INSTRUCTIONS EVEN IF THE NUMBER IDENTIFIES A PERSON OR ENTITY DIFFERENT FROM THE INTENDED PAYEE.

THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (ISP98), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590.

SILICON VALLEY BANK,

/s/ Mane Badalyan	/s/ Evelio Barairo
AUTHORIZED SIGNATURE	AUTHORIZED SIGNATURE
Mane Badalyan	Evelio Barairo

EXHIBIT "A"

DATE: _____ REF. NO._____

AT SIGHT OF THIS DRAFT

PAY TO THE ORDER OF _____ US$_____

US DOLLARS _____

DRAWN UNDER SILICON VALLEY BANK., SANTA CLARA, CALIFORNIA, STANDBY LETTER OF CREDIT NUMBER NO. _____DATED_____

TO: SILICON VALLEY BANK
3003 TASMAN DRIVE
SANTA CLARA, CA 95054

_____
(BENEFICIARY'S NAME)

_____
Authorized Signature

GUIDELINES TO PREPARE THE DRAFT

1. DATE: ISSUANCE DATE OF DRAFT.
2. REF. NO.: BENEFICIARY'S REFERENCE NUMBER, IF ANY.
3. PAY TO THE ORDER OF: NAME OF BENEFICIARY AS INDICATED TN THE L/C (MAKE SURE BENEFICIARY ENDORSES IT ON THE REVERSE SIDE).
4. USS: AMOUNT OF DRAWING IN FIGURES.
5. USDOLLARS: AMOUNT OF DRAWING IN WORDS.
6. LETTER OF CREDIT NUMBER: SILICON VALLEY BANK'S STANDBY L/C NUMBER THAT PERTAINS TO THE DRAWING.
7. DATED: ISSUANCE DATE OF THE STANDBY L/C.
8. BENEFICIARY'S NAME: NAME OF BENEFICIARY AS INDICATED IN THE L/C.
9. AUTHORIZED SIGNATURE: SIGNED BY AN AUTHORIZED SIGNER OF BENEFICIARY.

IF YOU HAVE QUESTIONS RELATED TO THIS STANDBY LETTER OF CREDIT PLEASE CONTACT US AT _____.

EXHIBIT
TRANSFER FORM

DATE:_____

TO: SILICON VALLEY BANK
3003 TASMAN DRIVE
SANTA CLARA, CA 95054
ATTN: INTERNATIONAL DIVISION. STANDBY LETTERS OF CREDIT

RE: IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____ ISSUED BY SILICON VALLEY BANK, SANTA CLARA
L/C AMOUNT: _____

GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

_____
(NAME OF TRANSFEREE)

_____
(ADDRESS)

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE LETTER OF CREDIT UP TO ITS AVAILABLE AMOUNT AS SHOWN ABOVE AS OF THE DATE OF THIS TRANSFER.

BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY IN SUCH LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE. TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECTLY TO THE TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH LETTER OF CREDIT IS RETURNED HEREWITH, AND WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER.

SINCERELY,

_____
(BENEFICIARY'S NAME)

_____
(SIGNATURE OF BENEFICIARY)

_____
(NAME AND TITLE)

SIGNATURE AUTHENTICATED
The name(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument. We further confirm that the company has been identified applying the appropriate due diligence and enhanced due diligence as required by BSA and all its subsequent amendments.
(Name of Bank)
(Address of Bank)
(City, State, ZIP Code)
(Authorized Name and Title)
(Authorized Signature)
(Telephone number)

EXHIBIT 6

INTENTIONALLY OMITTED

EXHIBIT 7

TENANT'S HAZARDOUS MATERIALS

Sulfuric acid-IL
Ethanol, absolute- 3G
Ethanol,denatured- 24G
Acetonitrile- 1G
Acetone- 500ml
Xylene, 0
Oxalic acid, 0
Acetic acid, <500ml
Formaldehyde, 0
Propanol, 2L
Tiiethylamine, 0
6N HCL acid, 0
2N Sodium Hydroxide, 0
Methyl Alcohol, 6G
Chloroform, 4G
Dimethyl sulfoxide, 14L
2 Mercaptoethanol, 500ml
30% Hydrogen Peroxide,0
70% denatured alcohol, 40L
20% denatured alcohol, 0

EXHIBIT 8

RULES AND REGULATIONS

The following rules and regulations shall apply, where applicable, to the Premises, the Buildings, the parking facilities (if any), the Property and the appurtenances. In the event of a conflict between the following rules and regulations and the remainder of the terms of the Lease, the remainder of the terms of the Lease shall control.

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit Tenant's employees to loiter in Common Areas or elsewhere about the Buildings or Property,

2. Plumbing fixtures and appliances shall be used only for the purposes for which designed and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed in the fixtures or appliances,

3. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Buildings, except those of such color, size, style and in such places as are first approved in writing by Landlord. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Tenant's cost and expense, using the standard graphics for the Buildings. Except in connection with the hanging of lightweight pictures and wall decorations, no nails, hooks or screws shall be inserted into any part of the Premises or Buildings except by the Building maintenance personnel without Landlord's prior approval, which approval shall not be unreasonably withheld.

4. Landlord may provide and maintain in the first floor (main lobby) of the Buildings an alphabetical directory board or other directory device listing tenants and no other directory shall be permitted unless previously consented to by Landlord in writing.

5. Tenant shall not place any lock(s) on any door in the Premises or Buildings without Landlord's prior written consent, which consent shall not be unreasonably withheld, and Landlord shall have the right at all times to retain and use keys or other access codes or devices to all locks within and into the Premises. A reasonable number of keys to the locks on the entry doors in the Premises shall be furnished by Landlord to Tenant at Tenant's cost and Tenant shall not make any' duplicate keys. All keys shall be returned to Landlord at the expiration or early termination of the Lease.

6. All contractors, contractor's representatives and installation technicians performing work in the Buildings shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time. Landlord has no obligation to allow any particular telecommunication service provider to have access to the Buildings or to the Premises, If Landlord permits access, Landlord may condition the access upon the payment to Landlord by the service provider of fees assessed by Landlord in Landlord's sole discretion.

7. Movement in or out of the Buildings of furniture or office equipment, or dispatch or receipt by Tenant of merchandise or materials requiring the use of elevators, stairways, lobby areas or loading dock areas, shall be performed in a manner and restricted to hours reasonably designated by Landlord. Tenant shall obtain Landlord's prior approval by providing a detailed listing of the activity, including the names of any contractors, vendors or delivery companies, which approval shall not be unreasonably withheld. Tenant shall assume all risk for damage, injury or loss in connection with the activity.

8. Landlord shall have the right to approve the weight, size, or location of heavy equipment or articles in and about the Premises, which approval shall not be unreasonably withheld; provided that approval by Landlord shall not relieve Tenant from liability for any damage in connection with such heavy equipment or articles.

9. Corridor doors, when not in use, shall be kept closed.

10. Tenant shall not: (a) make or permit any improper, objectionable or unpleasant noises or odors in the Buildings, or otherwise interfere in any way with other tenants or persons having business with them; (b) solicit business or distribute or cause to be distributed, in any portion of the Buildings, handbills, promotional materials or other advertising; or (c) conduct or permit other activities in the Buildings or Property that might, in Landlord's sole opinion, constitute a nuisance.

11. Except as permitted pursuant to the provisions of the Lease, no animals, except those assisting handicapped persons, shall be brought into the Buildings or kept in or about the Premises.

12. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Buildings or about the Property, except for those substances as are typically found in similar premises used for general office purposes and are being used by Tenant in a safe manner and in accordance with all Legal Requirements. Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Property, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq., M.G.L. c, 21C, M.G.L. c. 21E or any other applicable environmental law which may now or later be in effect. Tenant shall comply with all laws pertaining to and governing the use of these materials by Tenant and shall remain solely liable for the costs of abatement and removal.

13. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises or the Buildings. Tenant shall not use, or permit any part of the Premises to be used for lodging, sleeping or for any illegal purpose.

14. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Buildings ("Labor Disruption"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall have no claim for damages against Landlord or any of the Landlord Parties nor shall the Commencement Date be extended as a result of the above actions.

15. Tenant shall not install, operate or maintain in the Premises or in any other area of the Buildings, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electric or gas heating devices, without Landlord's prior written consent. Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Buildings.

16. Tenant shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for machines for the exclusive use of Tenant's employees and invitees.

17. Bicycles and other vehicles are not permitted inside the Buildings or on the walkways outside the Buildings, except in areas designated by Landlord.

18. Landlord may from time to time adopt systems and procedures for the security and safety of the Buildings and Property, their occupants, entry, use and contents. Tenant, its agents, employees, contractors, guests and invitees shall comply with Landlord's systems and ' procedures.

19. Landlord shall have the right to prohibit the use of the name of the Buildings or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Buildings or their desirability. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.

20. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the Common Areas, unless a portion of the Common Areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the Common Areas or any other part of the Buildings. Landlord shall have the right to designate the Buildings (including the Premises) as a non-smoking building.

21. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Buildings present a uniform exterior appearance. Tenant shall ensure, to the extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun.

22. Deliveries to and from the Premises shall be made only at the times in the areas and through the entrances and exits reasonably designated by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice.

23. The work of cleaning personnel shall not be hindered by Tenant after 5:30 P.M., and cleaning work may be done at any time when the offices are vacant. Windows, doors and fixtures may be cleaned at any time. Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service.

24. Areas used in common by tenants, including the PH System Room shall be subject to such reasonable regulations as are posted therein.

25. Tenant's PH Neutralization System shall be located in the PH System Room on the first (1^{st}) floor of the Building in an area designated for Tenant's use by the Landlord. In no event shall Tenant obstruct passage to or interfere with access to systems operated by other tenants in the Building. Tenant's use of area shall be strictly related to the Tenant's use and operation of its PH Neutralization System. Tenant shall provide secondary containment for storage of chemicals and materials to the extent required by Legal Requirements.

EXHIBIT 9

TENANT WORK INSURANCE SCHEDULE

Tenant shall, at its own expense, maintain and keep in force, or cause to be maintained and kept in force by any general contractors, sub-contractors or other third party entities where required by contract, throughout any period of alterations to the Premises or the Building by Tenant, the following insurance coverages;

(1) Property Insurance. "All-Risk" or "Special" Form property insurance, and/or Builders Risk coverage for major renovation projects, including, without limitation, coverage for fire, earthquake and flood; boiler and machinery (if applicable); sprinkler damage; vandalism; malicious mischief coverage on all equipment, furniture, fixtures, fittings, tenants work, improvements and betterments, business income, extra expense, merchandise, inventory/stock, contents, and personal property located on or in the Premises. Such insurance shall be in an amount equal to the full replacement cost of the aggregate of the foregoing and shall provide coverage comparable to the coverage in the standard ISO "All-Risk" or "Special" form, when such coverage is supplemented with the coverages required above. Property policy shall also include coverage for Plate Glass, where required by written contract.

Builders Risk insurance coverage may be provided by the general contractor on a blanket builders risk policy with limits adequate for the project, and evidencing the additional insureds as required in the Lease.

(2) Liability Insurance. General Liability, Umbrella/Excess Liability, Workers Compensation and Auto Liability coverage as follows:

(a)	General Liability	$1,000,000 per occurrence
		$1,000,000 personal & advertising injury
		$2,000,000 products/completed operations aggregate
		$2,000,000 general aggregate

The General Contractor is required to maintain, during the construction period and up to 3 years after project completion, a General Liability insurance policy, covering bodily injury, personal injury, property damage, completed operations, with limits to include a $1,000,000 limit for blanket contractual liability coverage and adding Landlord as additional insured as respects the project during construction and for completed operations up to 3 years after the end of the project. Landlord requires a copy of the ISO 20 10 11 85 Additional Insured endorsement, showing Landlord as an additional insured to the GC's policy.

(b)	Auto Liability	$1,000,000 combined single limit (Any Auto) for bodily injury and property damage, hired and non-owned cover.

(c)	Workers Compensation	Statutory Limits
	Employers Liability	$1,000,000 each accident
		$1,000,000 each employee
		$1,000,000 policy limit

General Contractor shall ensure that any and all sub-contractors shall maintain equal limits of coverage for Workers Compensation/EL and collect insurance certificates verifying same.

(d)	Umbrella/Excess Liability	$3,000,000 per occurrence
		$3,000,000 aggregate

(e) Environmental Insurance - To the extent required by Landlord Contractors' commercial general liability/umbrella insurance policy(ies) shall include Landlord and Landlord's designees as additional insureds', and shall include a primary non-contributory provision. Liability policy shall contain a clause that the insurer may not cancel or materially change coverage without first giving Landlord thirty (30) days prior written notice, except cancellation for non-payment of premium, in which ten (10) days prior written notice shall be required.

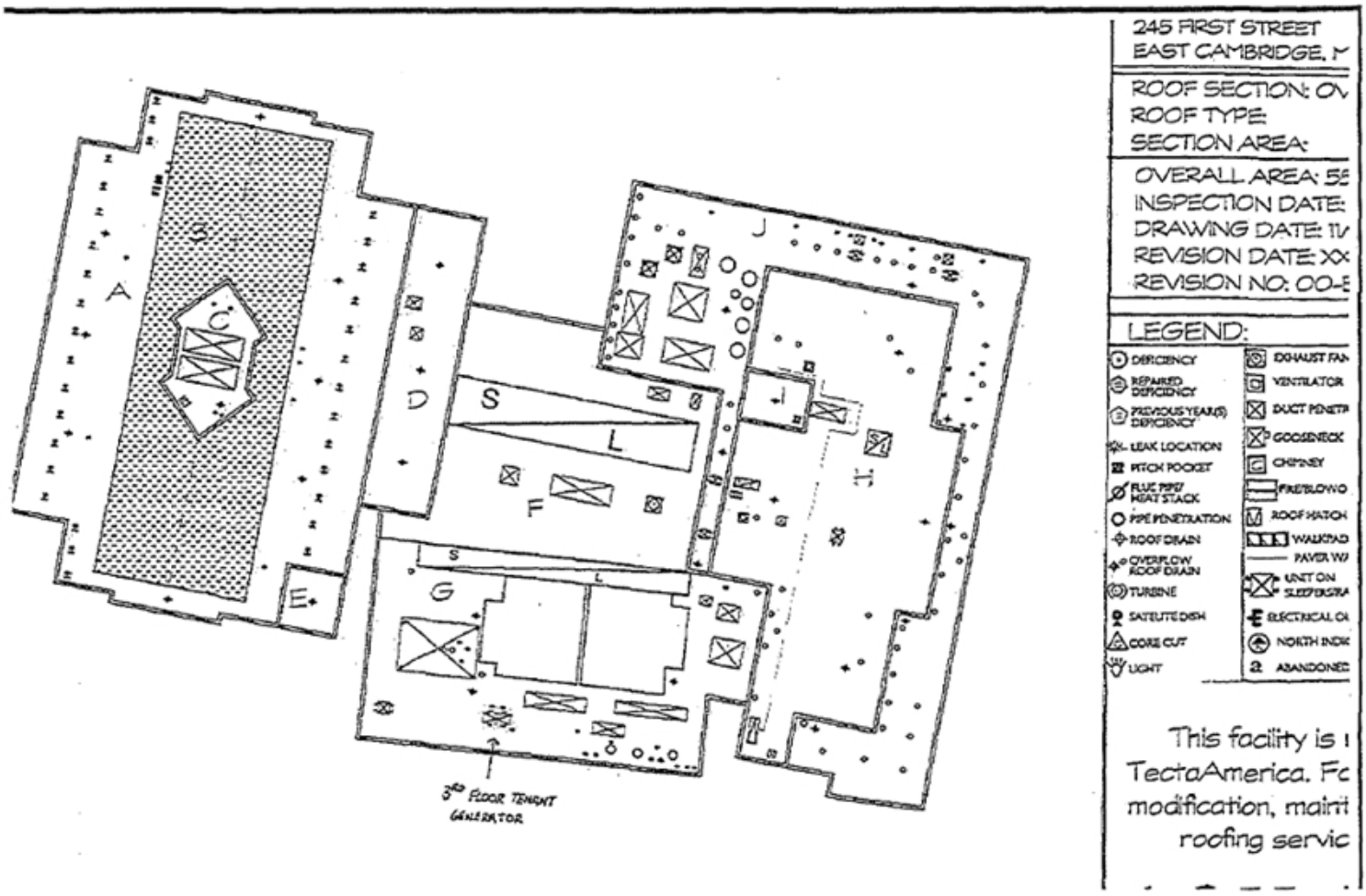
(3) Deductibles. If any of the above insurances have deductibles or self insured retentions, the Tenant and/or contractor (policy Named Insured) shall be responsible for the deductible amount.

All of the insurance policies required in this Exhibit 9 shall be written by insurance companies which are licensed to do business in the State where the property is located, or obtained through a duly authorized surplus lines insurance agent or otherwise in conformity with the laws of such state, with an A.M. Best rating of at least A- and a financial size category of not less than VII. Tenant shall provide Landlord with certificates of insurance upon request, prior to commencement of the Tenant/contractor work, or within thirty (30) days of coverage inception and subsequent renewals or rewrites/replacements of any cancelled/non-renewed policies.

EXHIBIT 10

GENERATOR AREA

See attached.


245 FIRST STREET
EAST CAMBRIDGE, M
ROOF SECTION: OV
ROOF TYPE:
SECTION AREA:
OVERALL AREA: 58
INSPECTION DATE:
DRAWING DATE: 11
REVISION DATE: XX
REVISION NO: 00-E
LEGEND:
DEFICIENCY
REPAIRED DEFICIENCY
PREVIOUS YEAR(S) DEFICIENCY
LEAK LOCATION
PITCH POCKET
FLUE PIPE/ HEAT STACK
PIPE PENETRATION
ROOF DRAIN
OVERFLOW ROOF DRAIN
TURBINE
SATELITE DISH
CORE CUT
LIGHT
EXHAUST FAN
VENTILATOR
DUCT PENETR
GOOSENECK
CHIMNEY
FIRE/BLOWO
ROOF HATCH
WALKPAD
PAVER WA
UNIT ON SLEEPERS/RA
ELECTRICAL DI
NORTH INDI
ABANDONED
This facility is
TectaAmerica. Fc
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3RD FLOOR TENANT GENERATOR

EXHIBIT 11

FORM OF SNDA

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "**Agreement**") made as of this __ day of ___, _____, by and among **JAMESTOWN PREMIER 245 FIRST, LLC**, a Delaware limited liability company ("**Landlord**"), **CAPITAL ONE, NATIONAL ASSOCIATION**, a national banking association, as administrative agent for the lenders (as hereinafter defined) (in such capacity, "**Administrative Agent**"), and HORIZON DISCOVERY INC. ("**Tenant**").

RECITALS:

A. Tenant has executed that certain lease dated as of [_____] (the foregoing, as amended and/or assigned, and as the same may be further amended and/or assigned, the "**Lease**"), with Landlord, as lessor, covering the premises described in the Lease consisting of (i) approximately 22,581 rentable square feet of space on the third (3rd) floor of the Science Building (the "**Principal Premises**"); (ii) approximately 4,339 rentable square feet of storage space on the third (3rd) floor of the Science Building (the "**Storage Premises**"); and (iii) approximately 160 rentable square feet of space on the first floor of the Science Building (the "**PH System Premises**", collectively with the Principal Premises and the Storage Premises, the "**Premises**") in that certain building 245 First Street and One Athenaeum Way, Cambridge, Massachusetts 02142 (the "**Property**") and more particularly described in Exhibit A attached hereto and made a part hereof by this reference; and

B. Certain lenders (the "**Lenders**") have made (or agreed to make) a loan to Landlord secured by a mortgage or deed of trust encumbering the Property and an assignment of Landlord's interest in the Lease (said mortgage or deed of trust and assignment of leases, together with any amendments, renewals, increases, modifications, substitutions or consolidations of either of them, collectively, the "**Security Instrument**") in favor of Administrative Agent on behalf of the Lenders; and

C. Tenant and Administrative Agent desire to confirm their understanding with respect to the Lease and the Security Instrument, and to have Landlord confirm its agreement therewith.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and agreements contained herein, the parties hereto agree as follows:

1. The Lease and any extensions, modifications or renewals thereof, including but not limited to any option to purchase, right of first refusal to purchase or right of first offer to purchase the Property or any portion thereof, if any, is and shall continue to be subject and subordinate in all respects to the lien of the Security Instrument.

2. Tenant agrees to deliver to Administrative Agent, in the manner set forth in Paragraph 13 of this Agreement, a copy of any notice of default sent to Landlord by Tenant. If Landlord fails to cure such default within the time provided in the Lease, Administrative Agent shall have the right, but not the obligation, to cure such default on behalf of Landlord within thirty (30) calendar days after the time provided for Landlord to cure such default in the Lease has expired or, if such default cannot be cured within that time, within a reasonable period provided Administrative Agent is proceeding with due diligence to cure such default. In such event, then (i) Tenant shall not terminate the Lease while such remedies are being diligently pursued by Administrative Agent and (ii) Tenant shall not terminate the Lease on the basis of any default by Landlord which is incurable by Administrative Agent (such as, for example, the bankruptcy of Landlord or breach of any representation by Landlord), provided Administrative Agent is proceeding with due diligence to commence an action to appoint a receiver or to obtain title to the Property by foreclosure, deed in lieu of foreclosure, or otherwise (collectively, "**Foreclosure**"). Tenant hereby agrees that no action taken by Administrative Agent to enforce any rights of Administrative Agent under the Security Instrument or related security documents, by reason of any default thereunder (including, without limitation, the appointment of a receiver, any Foreclosure or any demand for rent under any assignment of rents or leases) shall give rise to any right of Tenant to terminate the Lease nor shall such action invalidate or constitute a breach of any of the terms of the Lease.

3. Subject to the provisions of this Agreement, so long as Tenant is not in default after its receipt of written notice and the expiration of all applicable grace and cure period under the Lease, Administrative Agent shall not disturb Tenant's possession, quiet enjoyment and occupancy of the Premises during the term, and on the other the terms and conditions, of the Lease.

4. If Administrative Agent or its nominee or designee, or another purchaser of the Property upon a Foreclosure (any such person or entity, a "**Successor Owner**") succeeds to the interest of Landlord under the Lease, subject to Tenant's performance of its obligations under the Lease, the Lease will continue in full force and effect. Thereupon, Successor Owner shall recognize the Lease and Tenant's rights thereunder and Tenant shall make full and complete attornment to Successor Owner as substitute landlord upon the same terms, covenants and conditions as provided in the Lease, including, but not limited to, any option to purchase, right of first refusal to purchase or right of first offer to purchase the Property as may be provided in the Lease. Notwithstanding the foregoing, Tenant agrees that any such option, right of first refusal or right of first offer to purchase the Property or any portion thereof, as may be provided in the. Lease shall not apply to any Foreclosure and shall not apply to the initial transfer of the Property by Successor Owner following such Foreclosure. In consideration of the foregoing, Administrative Agent agrees that any such option, right of first refusal or right of first offer shall not be terminated by any Foreclosure or conveyance of the Property by Successor Owner following such Foreclosure; rather, any such option, right of first refusal or right of first offer shall remain as an obligation of any party acquiring the Property following the initial conveyance of the Property by Successor Owner following such Foreclosure. Furthermore, Tenant expressly confirms to Administrative Agent that any acquisition of title to all or any portion of the Property pursuant to Tenant's exercise of any option, right of first refusal or right of first offer contained in the Lease shall result in Tenant taking title subject to the lien of the Security Instrument.

5. Tenant agrees that, if Successor Owner shall succeed to the interest of Landlord under the Lease, Successor Owner shall not be:

(a) liable for any prior act or omission of Landlord or any prior landlord or consequential damages arising therefrom except to the extent that liability or damages accrue during a period in which Successor Owner has succeeded to Landlord; or

(b) subject to any offsets or defenses which Tenant might have as to Landlord or any prior landlord; or

(c) required or obligated to credit Tenant with any rent or additional rent for any rental period beyond the then current month which tenant has paid Landlord; or

(d) bound by any amendments or modifications of the Lease made without Administrative Agent's prior written consent unless Administrative Agent's consent to such amendment or modification was not required pursuant to the Loan Agreement (as defined in the Security Instrument);

(e) liable for refund of all or any part of any security deposit unless such security deposit shall have been actually received by Administrative Agent or Successor Owner;

(f) required to make any repairs to the Property or the Premises required as a result of fire, or other casualty or by reason of condemnation unless the Successor Owner shall be obligated under the Lease to make such repairs and shall have received sufficient casualty insurance proceeds or condemnation awards to finance the completion of such repairs;

(g) obligated to complete any construction work required to be done by Landlord pursuant to the provisions of the Lease or to reimburse Tenant for any construction work done by Tenant, except for repairs, restoration and maintenance to the Property required by the Lease to be performed by Landlord, the need for which continues after the date the Successor Owner succeeds to Landlord's interest in the Property; or

(h) bound to make any payment to Tenant which was required under the Lease, or otherwise, to be made prior to the time the Successor Owner succeeded to Landlord's interest.

6. Tenant agrees that, without the prior written consent of Administrative Agent in each case (unless Administrative Agent's consent thereto was not required pursuant to the Loan Agreement), Tenant shall not (a) amend, modify, terminate or cancel the Lease or any extensions or renewals thereof, or tender a surrender of the Lease (except in each case that, upon a default by Landlord under the Lease, Tenant may exercise its rights under the Lease after giving to Administrative Agent the notice and cure period required by this Agreement), (b) make a prepayment of any rent or additional rent more than one (1) month in advance of the due date thereof (other than first month's rent paid in advance), or (c) subordinate or permit the subordination of Lease to any lien subordinate to the Security Instrument. Any such purported action without such consent shall be void as against the holder of the Security Instrument.

7. To the extent that the Lease shall entitle Tenant to notice of the existence of any Security Instrument and the identity of any mortgagee or any ground lessor, this Agreement shall constitute such notice to Tenant with respect to the Security Instrument and Administrative Agent.

8. Upon and after the occurrence of a default under the Security Instrument, which is not cured after any applicable notice and/or cure periods, Administrative Agent shall be entitled, but not obligated, to require that Tenant pay all rent under the Lease as directed, by Administrative Agent, which payment shall, to the extent made, satisfy the obligations of Tenant under the Lease. Landlord agrees to hold Tenant harmless with respect to any such payments made by Tenant to Administrative Agent.

9. Without limiting any of the forgoing provisions of this Agreement, nothing in this Agreement shall impose upon Administrative Agent or any Lender any liability for flie obligations of Landlord under the Lease unless and until Administrative Agent takes title to the Property. Anything herein or in the Lease to the contrary notwithstanding, in the event that a Successor Owner shall acquire title to the Property or the portion thereof containing the Premises, Successor Owner shall have no obligation, nor incur any liability, beyond Successor Owner's then interest, if any, in the Property, and Tenant shall look exclusively to such interest, if any, of Successor Owner in the Property for the payment and discharge of any obligations imposed upon Successor Owner hereunder or under the Lease, and Successor Owner is hereby released or relieved of any other liability hereunder and under the Lease, Tenant agrees that, with respect to any money judgment which may be obtained or secured by Tenant against Successor Owner, Tenant shall look solely to the estate or interest owned by Successor Owner in the Property, and Tenant will not collect or attempt to collect any such judgment out of any other assets of Successor Owner,

10. Except as specifically provided in this Agreement, Administrative Agent shall not, by virtue of this Agreement, become subject to any liability or obligation to Tenant under the Lease,

11. EACH OF TENANT, ADMINISTRATIVE AGENT AND LANDLORD HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. The provisions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The words, "Administrative Agent", "Landlord" and "Tenant" shall include their respective heirs, legatees, executors, administrators, beneficiaries, successors and assigns.

13. Any notice, communication, request, reply or advise in this Agreement provided or permitted to be given, made or accepted by either party to the other must be in writing, and unless it is otherwise in this Agreement expressly provided, may be given or be served by depositing the same in the United States mail, postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or in person to the party to be notified. Notice shall be effective only if and when received by the party to be notified for purposes of notice, the addresses of the parties shall be as follows (unless otherwise indicated in writing):

If to Administrative Agent:	Capital One, National Association 90 Park Avenue, 4th Floor New York, New York 10016 Attn: Commercial Real Estate Banking
With a copy of Administrative Agent's notices to:	Morrison & Foerster LLP 1290 Avenue of the Americas New York, New York 10104 Attn: Jeffrey Temple, Esq.
If to Tenant:	245 First Street Cambridge, MA 02142 Attn: Jeb Ledell, COO
With a copy of Tenant's notices to:	Outside GC LLC 176 Federal Street, 5th Floor Boston, MA 02110 Attn: Jordan P. Karp, Esq.
If to Landlord:	c/o Jamestown Properties One Overton Park, Suite 1200 3625 Cumberland Boulevard Atlanta, Georgia 30339 Attn: Matt Bronfman
With a copy of Landlord's notices to:	Goulston & Storrs PC 400 Atlantic Avenue Boston, Massachusetts 02110 Attn: Barry D. Green, Esq.

14. This Agreement contains the entire agreement among the parties hereto and no modifications shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party.

15. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument.

16. This Agreement shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

[No further text this page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

HORIZON DISCOVERY INC,
a Delaware corporation

By: _____
Name:
Title:

[Signatures continue on following page.]

ADMINISTRATIVE AGENT:

CAPITAL ONE, NATIONAL ASSOCIATION, as administrative agent

By: _____
Name:
Title:

[Signatures continue on following page.]

Acknowledged and accepted by:

JAMESTOWN PREMIER 245 FIRST, LLC, a
Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT A

Legal Description of Property

Real property in the City of Cambridge, County of Middlesex, State of Massachusetts, described as follows:

245 FIRST STREET
CAMBRIDGE, MASSACHUSETTS

The land in Cambridge, Middlesex County, Massachusetts, situated on First Street, and being shown as Lot B on a plan entitled, “Plan of Land in Cambridgeport Belonging to Henry M, Whitney” dated March 21,1903, prepared by W.A. Mason & Son, Surveyors, and recorded with the Middlesex South District Registry of Deeds in Plan Book 142, Plan 37, to which plan reference is hereby made for a more particular description.

Lot B contains 70,489+ square feet, according to said plan.

Together with the benefit of the following easements: Agreement by and between Austin Ford and Son Company and The Carter’s Ink Company dated June 27,1908, recorded in Book 3378, Page 383.

EXHIBIT 12

FORM OF GUARANTY

GUARANTY

GUARANTY (THE "GUARANTY") OF LEASE DATED_____,
BETWEEN JAMESTOWN PREMIER 245 FIRST, LLC, A
DELAWARE LIMITED LIABILITY COMPANY, ("LANDLORD"),
AND
HORIZON DISCOVERY INC.,
A DELAWARE CORPORATION ("TENANT")

FOR VALUE RECEIVED and in consideration for and as an inducement to Landlord to lease certain real property to Tenant pursuant to a lease of even date (the "Lease"). **Horizon Discovery Group, PLC**, a United Kingdom corporation, ("Guarantor") does hereby unconditionally and irrevocably guarantee to Landlord the punctual payment of all rent, including without limitation, all Base Rent and Additional Rent (as such terms are defined in the Lease) and all other sums payable by the Tenant under the Lease and the due performance of all the other terms, covenants and conditions contained in the Lease to be paid or performed by Tenant thereunder throughout the Term (as defined in the Lease) and any and all renewals and extensions thereof in accordance with and subject to the provisions of the Lease, and if any event of default on the part of Tenant shall occur under the Lease, Guarantor does hereby covenant and agree to pay to Landlord in each and every instance such sum or sums of money as Tenant is and shall become liable for or obligated to pay under the Lease and fully to satisfy and perform all other terms, covenants and conditions of the Lease to be performed by Tenant thereunder, together with the costs reasonably incurred in connection with collection under this Guaranty, including, without limitation, reasonable attorneys' fees, such payments of rent and other suras to be made monthly or at such other intervals as the same shall or may become payable under the Lease, including any accelerations thereof, and such performance of said other terms, covenants and conditions to be made when due under the Lease, all without requiring any notice from Landlord (other than any notice required by the Lease) of such non-payment, non-performance or non-observance or proof of notice or demand, all of which Guarantor hereby expressly waives.

The maintenance of any action or proceeding by Landlord to recover any sum or sums that may be or become due under the Lease or to secure the performance of any of the other terms, covenants and conditions of the Lease shall not preclude Landlord from thereafter instituting and maintaining subsequent actions or proceedings for any subsequent default or defaults of Tenant under the Lease. Guarantor does hereby consent that without affecting the liability of the undersigned under this Guaranty and without notice to the undersigned, time may be given by Landlord to Tenant for payment of rent and such other sums and performance of said other terms, covenants and conditions, or any of them, and such time extended and indulgency granted, from time to time, or Tenant may be dispossessed or Landlord may avail itself of or exercise any or all of the rights and remedies against Tenant provided by law or in equity or by the Lease, and may proceed either against Tenant alone or jointly against Tenant or any other guarantors of the Lease or of any obligations thereunder ("Additional Guarantor(s)") and Guarantor or against the undersigned alone without first prosecuting or exhausting any remedy or claim against Tenant or any Additional Guarantor(s).

Except as expressly set forth below, Guarantor does hereby further consent to any subsequent change, modification or amendment of the Lease in any of its terms, covenants or conditions, or in the rent payable thereunder, or in the premises demised thereby, or in the term thereof, and to any assignment or assignments of the Lease, and to any renewals or extensions of the term of the Lease, and to any subletting or sublettings of the premises demised by the Lease, and to the release of Tenant or any Additional Guarantors) or any substitutions of any such parties, all of which may be made without notice to or consent of Guarantor and without in any manner releasing or relieving the undersigned from liability under this Guaranty. Notwithstanding anything to the contrary contained herein, if Guarantor's written consent is not obtained to an amendment to the Lease which materially increases the obligations guaranteed hereby, this Guaranty shall not apply to the increase in such obligations, provided that this Guaranty shall continue to apply to such obligations as the same existed (including any prior increases in such obligations consented to by Guarantor in writing) prior to such increase. For avoidance of doubt, however, no consent of Guarantor shall be required with respect to an amendment to the Lease which ratifies the exercise by Tenant of any right which Tenant has under the Lease (e.g., without limitation, any right of Tenant to extend or renew the Term of the Lease and any right of Tenant to lease additional premises pursuant to an expansion right, right of first offer, or right of first refusal), and Guarantor shall be fully liable for Tenant's obligations under the Lease, as so amended, whether or not Guarantor consents to the exercise by Tenant of such right under the Lease or to the amendment ratifying the exercise of such right. In addition, Guarantor confirms and agrees that it shall be deemed to have consented to any alterations or improvements made by Tenant, its assignees or sublessees in the Premises ("Tenant Alterations") and that Guarantor shall not be relieved of any of its obligations under the Lease by reason of any Tenant Alterations, whether or not the same have been approved by either Landlord or Guarantor.

Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of adverse change in the financial status of Tenant or other facts which increase the risk to Guarantor, notices of non-performance and notices of acceptance of this Guaranty) and protests of each and every kind, or (b) any right or defense that may arise by reason of the incapacity, lack of authority, death or disability of Tenant, Guarantor, any Additional Guarantor(s) or any other person or party.

Guarantor does hereby agree that the bankruptcy of Tenant shall have no effect on the obligations of the undersigned hereunder. Guarantor does hereby further agree that in respect of any payments made by Guarantor hereunder, Guarantor shall not have any rights based on suretyship, subrogation or otherwise to stand in the place of Landlord so as to compete with Landlord as a creditor of Tenant. Guarantor hereby waives, releases and forever discharges any and all rights of subrogation (whether contractual, statutory or arising under common law), to claims of Landlord against Tenant, as well as any and all rights of contribution, reimbursement, indemnification, and similar rights and "claims" (as that term is defined in the United States Bankruptcy Code) against Tenant which arise under or in connection with the Guaranty.

Neither this Guaranty nor any of the provisions hereof can be modified, waived or terminated, except by a written instrument signed by Landlord. The provisions of this Guaranty shall apply to, bind and inure to the benefit of Guarantor and Landlord and their respective heirs, legal representatives, successors and assigns. Guarantor, if there be more than one, shall be jointly and severally liable hereunder, and for purposes of such several liability the word "Guarantor" wherever used herein shall be construed to refer to the undersigned parties separately, all in the same manner and with the same effect as if each of them had signed separate instruments, and this Guaranty shall not be revoked or impaired as to any of such parties by the death of any other party or by revocation or release of any obligations hereunder of any other party. If at any time (or from time to time) there shall be Additional Guarantors^), Guarantor and such Additional Guarantors) shall be jointly and severally liable for Tenant's obligations under the Lease. This Guaranty shall be governed by and construed in accordance with the internal laws of the state or commonwealth where the premises demised by the Lease (the "Premises") are located. For the purpose solely of litigating any dispute under this Guaranty, the undersigned submits to the jurisdiction of the courts of said state or commonwealth.

Each of the persons executing this Guaranty on behalf of the corporation represents and warrants that the corporation is a duly authorized and validly existing corporation, which is qualified to transact business in the state or commonwealth where the Premises are located, that the corporation has full right, authority and power to enter into this Guaranty and to perform its obligations hereunder, that each person signing this Guaranty on behalf of the corporation is authorized to do so and that this Guaranty is binding upon the corporation in accordance with its terms. **In no event shall any individual that is an officer, director, trustee, employee or representative of Guarantor ever be personally liable for any obligation of Guarantor under this Guaranty.**

Any notice or other communication to be given to Landlord or the undersigned hereunder shall be in writing and sent in accordance with the notice provisions of the Lease. Notices to Landlord shall be delivered to Landlord's address set forth in the Lease. Notices to the undersigned shall be addressed as follows: _____. If Guarantor's notice address as set forth above changes, Guarantor agrees to provide written notice to Landlord of such change in address. If Guarantor's notice address is not filled in at the above blank, or if the Guarantor's notice address is a post office box address, then, for all purposes under this Guaranty, Landlord may send all notices under this Guaranty to Guarantor, c/o Tenant, at the same notice address Landlord uses for the Tenant under the Lease, and any notice delivered in accordance with the foregoing shall be deemed to have been properly delivered to Guarantor,

The undersigned Guarantor hereby agrees that in any action seeking to enforce this Guaranty or otherwise arising hereunder, service of process may be made upon the undersigned Guarantor in the Commonwealth of Massachusetts by delivery of process to the Guarantor's address listed above, and the undersigned Guarantor hereby consents to such manner of service of process and to the jurisdiction of any State or Federal court located in the Commonwealth of Massachusetts.

[Form of UK Notary Block to be Provided]

EXHIBIT C

SUBTENANT'S HAZARDOUS MATERIALS

Chemical	Manufacturer	Quantities
2-Mercaptoethanol	Fisher	100g
2-Mercaptoethanol	Sigma	25mL
2-Propanol	Sigma	500mL
2-Propanol	Fisher	4Lx4
5-bromo-2'-deoxyuridine	RPI	5g
Acetic acid	Sigma	500mL x 2
Acetone	Fisher	1L
Acetonitrile	Alfa Aesar	1Lx4
Acetonitrile	Fisher	4L
Acetonitrile	Fisher	4L
ACK lysing buffer	Life Technologies	100mL x2
AccuGENE 1M Tris-HCI, pH 8.0	Lonza	1Lx3
Agarose	Fisher	100g x 2
Ammonium chloride	Sigma	I K
Ammonium sulfate	Sigma	500 g
Bacto Peptone	BD	500g
Bacto Tryptose phosphate broth	BD	500g
Bleach	Chlorox	3.57Lx3
Bleach	Chlorox	3.57L x2
Bleach	Chlorox	3.57L
BOLT	Life Technologies	500mL
Bond Breaker TCEP solution	Thermo Fisher	5mL
Bovine Serum Albumin (BSA) Low Endotoxin Powder	Fisher	100g
Butyric acid	Sigma	5m L
Calcium chloride	Sigma	500 g x2
CAPS	Sigma	250g
Cell Disocciation Buffer	Life Tech	100mL x 4
Citric acid monohydrate	Sigma	500g
CloneMatrix	Molecular Devices	40mLx 10
Coomassie Protein Assay Reagent	Thermo Fisher	500mL
D-(+)-glucose	Sigma	1kg
Difco Select Phytone, UF	BD	500g
Difco TC Yeastolate, UF	BD	500g
Dimethyl sulfoxide	Corning	250mL
Dimethyl sulfoxide	Acros Organics	500mL

Dimethyl sulfoxide	Sigma	5x5mL x2
Dimethyl sulfoxide	Sigma	1Lx12
Dimethyl sulfoxide	Sigma	250mL
Dimethyl sulfoxide	Sigma	100mL x2
Dimethyl sulfoxide, Chromasolv Plus	Sigma	2L
Dimethyl sulfoxide, Hybri-max	Sigma	5x10mLx2
DL-Dithiothreitol	Sigma	10g
EDTA, 0.5M UltraPure	Life Technologies	100mLx6
Ethanol 70%, Reagent	Fisher	1 gal x 4
Ethanol, absolute proof	Fisher	500mL x 6
Ethanol	Sigma	1Lx5
Ethylenediamine tetraacetic acid	Fisher	100mL
Ethylenediamine tetraacetic acid	Invitrogen	100mL
Ethylenediaminetetraacetic acid	Sigma	1Kg
Ethylenediaminetetraacetic acid	Sigma	500g x2
0.1% FA in Acetonitrile	Fisher	2.5Lx4
0.1% FA in Water	Fisher	2.5Lx4
Formic acid	Thermo Fisher	1mLx 10
Glucose CRS	European Pharmacopoeia Reference Standard	100mg
Glycerol 99.5%	Acros Organics	500mL
Glycerol	Sigma	100mL
Glycine	Sigma	1 kg
Glycine hydrochloride	Sigma	500g
Guanidine hydrochloride	Sigma	1kg x 2
HBSS	Life Technologies	500mL
HEPES	Sigma	500g
Hydrochloric acid	Mallinckrodt	500 mL
Hydrochloric acid	Sigma	500ml
Hydrochloric acid standard solution	Aldrich	500mL
Hydrogen peroxide solution	CVS	32 oz
Hydrogen peroxide solution	Sigma	1L
Imidazole	Sigma	500g
Imperial Protein Stain	Thermo Scientific	1L
Kanamycin sulfate	Corning	5g x 2

L-Arginine	Sigma	500 g
LB Broth (Miller)	Sigma	250g
L-Glutamic acid	Sigma	1kg
L-Histidine	Sigma	1kg + 100g
Lithium acetate dihydrate	Sigma	100g
MabSelect SURE LX	GE Healthcare	200mL
Magnesium chloride	Sigma	1kg
MES	Sigma	250g
Methanol	Fisher	4Lx2
Methanol	Sigma	1L
Mineral oil, pure	Acros Organics	1 L
MOPS	Sigma	250g
Nickel(ll) chloride hexahydrate	Sigma	1kg
Non-fat dry milk	LabScientific	500g
PBS 1x	Life Technologies	500mLx 10
Pierce Trypsin Protease	Thermo Scientific	5x1Oug x2
Poly(ethylamine glycol)	Sigma	250g
Polyethylenimine, Linear	Polysciences	2g
Polyethylenimine “Max”	Polysciences	2g
Potassium chloride	Sigma	500g
Potassium hydroxide	Sigma	250g
Potassium phosphate dibasic anhydrous	Fisher	500g
Potassium phosphate monobasic	Sigma	500g
Protein A-Agarose	BioVision	25mL
SDS micropellets	Fisher	500g
SOC medium	Invitrogen	10mLx4
SOC outgrowth medium	New England BioLabs	25mL
Simply Blue SafeStain	Invitrogen	1L
Sodium acetate	Sigma	250g
Sodium azide, 0.5%	Ricca	500mL
Sodium bicarbonate	Sigma	500 g
Sodium butyrate	Sigma	1g
Sodium chloride	Sigma	2.5kg
Sodium chloride	Sigma	1 kg
Sodium citrate tribasic dihydrate	Sigma	500g
Sodium dodecyl sulfate	Sigma	250 g
Sodium hydroxide	Sigma	1kg
Sodium phosphate dibasic heptahydrate	Sigma	500 g

Sodium phosphate monobasic monohydrate	Sigma	250g
Sodium propionate	Sigma	100g x4
Sucrose	Sigma	1kg
Sulfuric Acid	Aldrich	500mL
Sulfuric Acid	Ricca	1L
Sulfuric Acid	Sigma	500g
TAE buffer, 50x	Life Technologies	1L
TMB Stop Solution	KPL	1L
Triethylammonium bicarbonate buffer	Sigma	500mL
Tris 2-Amino-2-(hydroxymethyl)-1,3-propanediol	Roche	1kg
Tris Acetate SDS Running Buffer	Life Technologies	500mL
Triton X-100	Sigma	100mL
Trizma hydrochloride	Sigma	500g
Trypan Blue Solution	Corning	100mL
Tryptose phosphate broth	Sigma	100mL x2
TBS Tween-20 buffer, 20x	Thermo Fisher	500mL x 2
Tween-20	Fisher	500mL
Tween-20	Sigma	100mLx2
UREA	Sigma	1kg
Valproic acid sodium salt	Sigma	25g
Valproic acid sodium salt	Sigma	100g

Exhibit 10.15

CLPF-CAMBRIDGE SCIENCE CENTER, LLC
c/o Clarion Partners
101 Arch Street, 17th Floor
Boston, MA 02110

January 17, 2018

Horizon Discovery Inc.
245 First Street
Cambridge, Massachusetts 02142

Compass Therapeutics LLC
245 First Street
Cambridge, Massachusetts 02142

Re: Consent to Sublease Modification Agreement

Ladies and Gentlemen:

Reference is made to Lease dated November 9, 2015 (the "Lease") between Jamestown Premier 245 First, LLC, as landlord and Horizon Discovery Inc. ("Tenant"), as Tenant with respect to certain premises more fully described therein (the "Premises") within the Science Building located at 245 First Street, Cambridge, Massachusetts 02142. CLPF-Cambridge Science Center, LLC ("Landlord") has succeeded to the landlord's interest under the Lease. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Lease.

Further reference is made to that certain Sublease Agreement dated as of July 27, 2016 (the "Sublease") between Tenant, as Sublandlord, and Compass Therapeutics LLC ("Subtenant"), as Subtenant, pursuant to which Subtenant is subleasing from Tenant the entire Premises (defined in the Sublease as the "Sublease Premises"). In connection with the Sublease, Landlord's predecessor entered into a Consent to Sublease (the "Consent") dated July 29, 2016, with Tenant and Subtenant.

Tenant and Subtenant are about to enter into a Sublease Modification Agreement in the form attached hereto as Exhibit A and have requested that Landlord consent to the execution of the Sublease Modification Agreement. Landlord is willing to execute this Consent to Sublease Modification Agreement subject to the terms and conditions set forth herein.

Tenant and Subtenant acknowledge that Landlord is not a party to the Sublease Modification Agreement and is not bound by the provisions thereof, and recognize that, accordingly, Landlord has not, and will not, review or pass upon any of the provisions of the Sublease Modification Agreement. Nothing contained herein shall be construed as an approval of, or ratification by Landlord of, any of the particular provisions of the Sublease Modification Agreement or a modification or waiver of any of the terms, covenants and conditions of the Lease or as a representation or warranty by Landlord. Without limitation of the foregoing, Landlord is not hereby consenting to the assignment of tire Tenant's interest under the Lease to Subtenant or to any other person or entity and all conditions and requirements of the Lease, including, without limitation, Article 13 thereof, shall apply without modification to any such proposed assignment, including, without limitation, the requirements of Landlord's Consent to such an assignment in accordance with the standards and conditions set out in the Lease, the requirement that Tenant remain liable under the Lease, Landlord's rights regarding profits from any assignment, and Landlord's recapture rights. In no event shall the terms and provisions of the Lease be modified or amended in connection with any assignment, notwithstanding the terms and conditions of any "Offer" as defined in the Sublease Modification Agreement.

Please confirm your agreement to the foregoing by signing below.

(signatures appear on the following pages)

Landlord's signature page to Consent to Sublease Modification Agreement dated January 17, 2018

LANDLORD:

CLPF-CAMBRIDGE SCIENCE CENTER, LLC
a Delaware limited liability company

By: Clarion Lion Properties Fund Holdings, L.P.,
a Delaware limited partnership,
its Sole Member

By: CLPF-Holdings, LLC,
a Delaware limited liability company,
its General Partner

By: Clarion Lion Properties Fund Holdings REIT, LLC,
a Delaware limited liability company,
its Sole Member

By: Clarion Lion Properties Fund, LP,
a Delaware limited partnership,
its Managing Member

By: Clarion Partners LPF GP, LLC,
a Delaware limited liability company,
its General Partner

By: Clarion Partners, LLC,
a New York limited liability company,
its sole member

By: /s/ Brian Collins
Name: Brian Collins
Title: Authorized Signatory

Tenant's signature page to Consent to Sublease Modification Agreement dated January 17, 2018

TENANT:

HORIZON DISCOVERY INC.,
a Delaware corporation

By: /s/ R. Vellacott
Name: R Vellacott
Title: CFO

Subtenant's signature page to Consent to Sublease Modification Agreement dated January 17, 2018

SUBTENANT:

COMPASS THERAPEUTICS LLC.,
a Delaware limited liability company

By: /s/ Jeb Ledell
Name: Jeb Ledell
Title: Chief Operating Officer

EXHIBIT A

SUBLEASE MODIFICATION AGREEMENT

SUBLEASE MODIFICATION AGREEMENT

This Sublease Modification Agreement (this "Agreement"), made as of the 17th day of January, 2018 by and between HORIZON DISCOVERY INC., a Delaware corporation, as sublandlord (hereinafter referred to as "Sublandlord"), and COMPASS THERAPEUTICS LLC, a Delaware limited liability company, as subtenant (hereinafter referred to as "Subtenant"):

W I T N E S S E T H:

WHEREAS, by an Indenture of Lease, dated November 9, 2015 (the "Overlease"), JAMESTOWN PREMIER 245 FIRST, LLC, a Delaware limited liability company (hereinafter referred to as "Overlandlord") leased to Sublandlord, as lessee, (i) the space containing approximately 22,581 rentable square feet of space on the third floor of the Science Building (as defined in the Overlease) and defined in the Overlease as the "Principal Premises" and having an address at 245 First Street, Cambridge, Massachusetts 02142, (ii) the space containing approximately 4,339 rentable square feet of storage space on the third floor of the Science Building and defined in the Overlease as the "Storage Premises", and (iii) the space containing approximately 160 rentable square feet of space on the first floor of the Science Building and defined in the Overlease as the "PH System Premises", each as more specifically described in the Overlease (collectively, the "Lease Premises"), upon and subject to the terms and conditions set forth in the Overlease; and

WHEREAS, pursuant to Sublease Agreement dated as of July 27, 2016 as modified by Consent to Sublease dated July 29, 2016 and by Letter Agreement dated as of December 1, 2016 (collectively, the "Sublease"), Subtenant sublet the entire Lease Premises (the "Sublease Premises") from Sublandlord and Sublandlord sublet the Sublease Premises to Subtenant upon the terms and conditions set forth in the Sublease.

WHEREAS, Sublandlord and Subtenant wish to extend the term of the Sublease and otherwise modify the Sublease as set forth herein.

NOW, THEREFORE, the parties hereto, for themselves, their successors and assigns, mutually covenant and agree as follows:

1. Any capitalized terms not otherwise defined in this Sublease shall have the respective meanings ascribed thereto in the Overlease.

2. The first sentence of Paragraph 8 of the Sublease is hereby deleted and the following sentences are substituted therefor: "The term of this Sublease ("Term") shall commence on the Commencement Date and shall end on January 31, 2020, subject to extension pursuant to the next sentence of this Paragraph 8, or on such earlier date upon which said Term may expire or be terminated pursuant to any of the conditions or limitations or other provisions of this Sublease or pursuant to law (which date for the termination of the term hereof shall hereafter be called the "Termination Date"). As additional consideration for the execution of this Sublease, Sublandlord grants to Subtenant an option to extend the term of this Sublease for one (1) additional twelve (12)-month period(s) upon the same terms and conditions herein contained, including the payment of Rent, except for the extension option granted herein. Provided this Sublease shall then be in full force and effect and Subtenant shall not be in default hereunder beyond any applicable notice and grace period, Subtenant may exercise its option hereunder by giving Sublandlord written notice of such election at any time prior to January 31, 2020, Provided Subtenant gives such notice, the Term shall be automatically extended for such additional period of twelve (12) months without the execution of an extension or renewal sublease."

3. Paragraph 12 of the Sublease is hereby deleted in its entirety,

4. Paragraph 16 of the Sublease is hereby amended by deleting the words " with a copy to Foley Hoag LLP, 155 Seaport Boulevard, Boston, Massachusetts 02210, Attn: Robert L, Birnbaum, Esq." and substituting therefor the words " with a copy to Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036, Attn: Laurie C. Nelson, Esq."

5. Paragraph 26 is hereby added to the Sublease as follows: "26. Right of First Refusal. If, at any time during the Term (as same may be extended), (a) Sublandlord shall receive from any other party a *bona fide* offer, satisfactory to Sublandlord in its commercially reasonable discretion, to accept an assignment of Sublandlord's interest as tenant under the Overlease, or (b) Sublandlord wishes to assign its interest as tenant under the Overlease to any other party upon material economic terms that have been negotiated with such party in a *bona fide* letter of intent or term sheet (an offer under the foregoing clause (a) or a letter of intent or term sheet under the foregoing clause (b) is referred to as an "**Offer**"), Sublandlord agrees to offer to Subtenant, by notice ("**Sublandlord's Notice**"), the right to become the assignee of Sublandlord's interest as tenant under the Overlease upon the same terms and conditions as set forth in the Offer. Provided this Sublease shall then be in full force and effect and Subtenant shall not be in default hereunder beyond any applicable grace and notice period, Subtenant may exercise its right to become the assignee of Sublandlord's interest as tenant under the Overlease by accepting Sublandlord's offer in writing within ten (10) days after the date of Sublandlord's Notice, in which event Sublandlord and Subtenant shall, subject to the consent of Overlandlord thereto being obtained by Sublandlord within ninety (90) days after the date of such acceptance by Subtenant, enter into an assignment of the Overlease reasonably acceptable to Sublandlord and Subtenant, to incorporate the terms and conditions set forth in the Offer. In the event that Subtenant fails to accept the offer contained in Sublandlord's Notice within such ten (10) day period, Subtenant shall be deemed to have waived its rights under this Paragraph 26 to become the assignee of Sublandlord's interest as tenant under the Overlease, unless Sublandlord fails to assign its interest under the Overlease to such other party within six (6) months after the date of Sublandlord's Notice, in which event Subtenant's rights under this Paragraph 26 shall be deemed reinstated."

6. Sublandlord and Subtenant each hereby represent and warrant that it has not dealt with any broker in connection with this Agreement. Each party shall indemnify the other against any cost or liability resulting horn the indemnifying party's breach of the foregoing representation and warranty.

7. This Agreement is subject to the approval of the Overlandlord pursuant to the Overlease. Following the execution and delivery hereof, Sublandlord will promptly submit this Agreement to Overlandlord for such consent. Such consent must be in form reasonably satisfactory to Sublandlord and Subtenant, If such consent is not received by Sublandlord within ninety (90) days after the date hereof, this Agreement shall terminate, and neither party shall have any further obligation or liability to the other party, and the Sublease shall remain in full force and effect as if this Agreement had not been entered into by the parties.

8. Except as expressly modified herein, the Sublease is and shall remain unmodified and in full force and effect, and, except as expressly modified herein, the terms and provisions of the Sublease are hereby ratified by the parties hereto.

IN WITNESS WHEREOF, Sublandlord and Subtenant have duly executed this Agreement as an instrument under seal, as of the day and year first above written.

SUBLANDLORD:

HORIZON DISCOVERY INC.

By: /s/ R Vellacott
Name: R Vellacott
Title: CFO

SUBTENANT:

COMPASS THERAPEUTICS LLC

By: /s/ Jeb Ledell
Name: Jeb Ledell
Title: Chief Operating Officer

Exhibit 16.1

June 23, 2020

Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Ladies and Gentlemen:

We have read Item 4.01 of the Current Report on Form 8-K dated June 23, 2020 of Compass Therapeutics, Inc. and are in agreement with the statements in the paragraphs within that Item as they relate to our firm. We have no basis to agree or disagree with other statements of the registrant contained therein.

Respectfully submitted,

/s/ Raich Ende Malter & Co. LLP

New York, New York

Exhibit 21.1

SUBSIDIARIES OF COMPASS THERAPEUTICS, INC.

Name	Jurisdiction of Formation / Incorporation
Compass Therapeutics LLC	Delaware
Compass Therapeutics Advisors Inc.	Delaware
BBV International Compass Inc.	Delaware
Biomatics – Compass, Inc.	Delaware
CHI II Blocker LLC	Delaware
OrbiMed Private Investments V – KA (Blocker), Inc.	Delaware

Compass Therapeutics LLC and Subsidiary

Consolidated Financial Statements
December 31, 2019 and 2018

Compass Therapeutics LLC and Subsidiary
Index
December 31, 2019 and 2018

Report of Independent Registered Public Accounting Firm

The Board of Directors and Members
Compass Therapeutics LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Compass Therapeutics LLC and Subsidiary (the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of operations, preferred units and members' 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 as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ CohnReznick LLP

We have served as the Company's auditor since March 2020.

Roseland, New Jersey

June 23, 2020

Compass Therapeutics LLC and Subsidiary
Consolidated Balance Sheets
(In thousands, except units and unit data)

	December 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 25,303	$ 57,511
Prepaid expenses and other current assets	935	1,370
Total current assets	26,238	58,881
Property and equipment, net	3,751	5,367
Restricted cash	263	262
Other assets	129	115
Total assets	$ 30,381	$ 64,625
Liabilities, Convertible Preferred Units and Members' Deficit		
Current liabilities:		
Current portion of long-term debt	$ 5,576	$ 3,688
Accounts payable	629	1,730
Accrued expenses	3,122	2,657
Derivative liability related to loan	494	390
Total current liabilities	9,821	8,465
Long term debt, including accretion, net of current portion	9,293	11,064
Total liabilities	19,114	19,529
Commitments (Note 11)		
Convertible preferred units (Series A-1, A-2, A-3, A-4, A4B and A-5) 207,164,404 units authorized, issued, and outstanding as of December 31, 2019 and 2018; aggregate liquidation preference $132,039,394 as of December 31, 2019 and 2018	129,870	129,870
Members' deficit:		
Class A common units - 305,346,089 units authorized at December 31, 2019 and 2018; 75,632,932 and 66,578,491 units issued and outstanding at December 31, 2019 and 2018, respectively	2,585	1,670
Class C common units - 4,509,750 units authorized, issued, and outstanding at December 31, 2019 and 2018	720	720
Accumulated deficit	(121,908)	(87,164)
Total members' deficit	(118,603)	(84,774)
Total liabilities, convertible preferred units and members' deficit	$ 30,381	$ 64,625

The accompanying notes are an integral part of these consolidated financial statements.

Compass Therapeutics LLC and Subsidiary
Consolidated Statements of Operations
(In thousands,)

	Year Ended December 31,	
	2019	**2018**
Operating expenses:		
Research and development	$ 22,449	$ 27,095
General and administrative	11,603	11,217
Total operating expenses	34,052	38,312
Loss from operations	(34,052)	(38,312)
Other income (expense):		
Interest income	743	663
Interest expense	(1,228)	(767)
Change in fair value of call right liability	—	313
Change in fair value of derivative liability	(104)	(67)
Realized foreign exchange loss	(12)	(13)
Total other income (expense), net	(601)	129
Loss before income taxes	(34,653)	(38,183)
Income taxes	(91)	(103)
Net loss	$ (34,744)	$ (38,286)

The accompanying notes are an integral part of these consolidated financial statements.

Compass Therapeutics LLC and Subsidiary
Consolidated Statements of Preferred Units and Members' Deficit
Years Ended December 31, 2019 and 2018
(In thousands, except units)

	Preferred Units		Common Units		Common Units		Common Units			
	Series A-1, A-2, A-3, A-4A, A4B and A-5		Class A		Class B		Class C		Accumulated	Total Members'
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Deficit	Deficit
Balances at December 31, 2017	162,424,715	$ 81,513	5,078,488	$ 181	46,542,838	$ 833	—	$ —	$ (48,878)	$ (47,864)
Additional issuance costs in connection with the prior issuance of Series A4B preferred units	—	(7)	—	—	—	—	—	—	—	—
Issuance of Series A-5 preferred units — net of issuance costs of $129,241	44,739,689	49,084	—	—	—	—	—	—	—	—
Issuance of Class C common units associated with Series A-5 preferred units	—	(720)	—	—	—	—	4,509,750	720	—	720
Redesignation of Class B common units	—	—	46,542,838	833	(46,542,838)	(833)	—	—	—	—
Issuance of profit interests and related unit compensation expense	—	—	16,143,382	656	—	—	—	—	—	656
Forfeiture of common units	—	—	(1,186,217)	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	(38,286)	(38,286)
Balances at December 31, 2018	207,164,404	$ 129,870	66,578,491	$ 1,670	—	$ —	4,509,750	$ 720	$ (87,164)	$ (84,774)
Issuance of profit interests and related unit compensation expense	—	—	19,643,100	915	—	—	—	—	—	915
Forfeiture of common units	—	—	(10,588,659)	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	(34,744)	(34,744)
Balances at December 31, 2019	207,164,404	$ 129,870	75,632,932	$ 2,585	—	$ —	4,509,750	$ 720	$ (121,908)	$ (118,603)

The accompanying notes are an integral part of these consolidated financial statements.

Compass Therapeutics LLC and Subsidiary
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,	
	2019	**2018**
Cash flows from operating activities:		
Net loss	$ (34,744)	$ (38,286)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,120	1,921
Loss/(gain) on disposal of fixed asset	5	(15)
Non-cash interest expense	116	121
Unit-based compensation	915	656
Change in fair value of derivative liability related to loan	104	67
Change in fair value of call right liability	—	(313)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	435	112
Other long term assets	(56)	69
Accounts payable	(1,101)	992
Accrued expenses	509	999
Deferred rent	(44)	(2)
Net cash used in operating activities	(31,741)	(33,679)
Cash flows from investing activities:		
Purchases of property and equipment	(466)	(2,020)
Net cash used in investing activities	(466)	(2,020)
Cash flows from financing activities:		
Additional issuance costs from prior issuance of Series A4B preferred units	—	(7)
Proceeds from issuance of Series A-5 preferred units	—	49,213
Issuance costs from Series A-5 preferred units	—	(129)
Proceeds from borrowings under loan	—	15,000
Fees related to borrowings under loan	—	(46)
Net cash provided by financing activities	—	64,031
Net change in cash, cash equivalents and restricted cash	(32,207)	28,332
Cash, cash equivalents and restricted cash at beginning of year	57,773	29,441
Cash, cash equivalents and restricted cash at end of year	$ 25,566	$ 57,773
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 1,115	$ 556
Supplemental disclosure of noncash investing and financing activities		
Acquisition of equipment included in accrued expenses	$ 3	$ 105
Issuance of Class C common units associated with Series A-5 preferred units	$ —	$ 720

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business

Compass Therapeutics LLC, a limited liability company, was formed under the laws of the state of Delaware in January 2014. Compass Therapeutics LLC has a wholly owned subsidiary, Compass Therapeutics Advisors Inc., formed in February 2015. Compass Therapeutics LLC and its wholly-owned subsidiary (the "Company") are headquartered in Massachusetts. The Company is a fully integrated drug discovery and development company focused on comprehensively drugging the immune system with combinations of human monoclonal antibodies, multiclonals and engineered protein constructs.

The Company is subject to risks and uncertainties common to companies in the biotechnology and pharmaceutical industries. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's technology will be obtained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. The Company operates in an environment of rapid change in technology and substantial competition from pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees and consultants.

2. Liquidity, Uncertainties and Going Concern

In accordance with Accounting Standards Update ("ASU") No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40)*, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

Since its inception, the Company has funded its operations primarily with proceeds from the sale of preferred units and borrowings under loan agreements. The Company has incurred recurring losses since its inception, including net losses of $34.7 million and $38.3 million for the years ended December 31, 2019 and 2018, respectively. In addition, as of December 31, 2019, the Company had an accumulated deficit of $121.9 million. The Company expects to continue to generate operating losses for the foreseeable future. As of the issuance date of the annual consolidated financial statements for the year ended December 31, 2019, the Company expected that its cash and cash equivalents after taking into consideration private offering that was completed in June 2020 (See Note 16) would be sufficient to fund its operating expenses and capital expenditure requirements into Q4 2021. The future viability of the Company beyond that point is dependent on its ability to raise additional capital to finance its operations.

3. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are presented in U.S. dollars and 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 GAAP as found in the Accounting Standards Codification ("ASC") and as amended by Accounting Standards Updates of the Financial Accounting Standards Board ("FASB").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Compass Therapeutics LLC and its wholly-owned subsidiary, Compass Therapeutics Advisors Inc. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, the accrual of research and development expenses, the valuation of the preferred equity call right liability, the valuation of the embedded derivative, the valuation of common units and estimates associated with unit-based awards. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Actual results could differ from those estimates. Changes in estimates are recorded in the period that they become known.

Segment Information

Operating segments are defined as components of an enterprise for which separate and discrete information is available for evaluation by the chief operating decision-maker in deciding how to allocate resources and assess performance. The Company has one operating segment. The Company's chief operating decision maker, its chief executive officer, manages the Company's operations on a consolidated basis for the purpose of allocating resources. All of the Company's long-lived assets are held in the United States.

Cash and Cash Equivalents

The Company considers all highly liquid investments that are readily convertible into cash with original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents include cash held in banks and amounts held in money market funds. Cash equivalents are stated at cost, which approximates market value. Cash equivalents consisted of money market funds of $22.8 million and $55.3 million at December 31, 2019 and 2018, respectively.

Restricted Cash

As of December 31, 2019 and 2018, the Company was required to maintain a separate cash balance of $0.2 million to collateralize corporate credit cards with a bank, which was classified as restricted cash on the consolidated balance sheets as a non-current asset.

In connection with the Company's lease agreement entered into July 2016 (see Note 11), the Company is required to maintain a letter of credit of $0.1 million for the benefit of the landlord. As of December 31, 2019, and 2018, the underlying cash balance securing this letter of credit was classified as restricted cash on the consolidated balance sheets as a non-current asset.

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents and restricted cash. The Company maintains its cash, cash equivalents, and restricted cash with financial institutions that management believes to be of high-credit quality. The Company generally maintains balances in various operating accounts at financial institutions that management believes to be of high-credit quality, in amounts that may exceed federally insured limits. The Company has not experienced any losses related to its cash, cash equivalents and restricted cash.

As of December 31, 2019 and 2018, the Company had no off-balance sheet risks such as foreign exchange contracts, option contracts or other hedging arrangements.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are recorded using the straight-line method over the estimated useful lives of the related assets as follows:

	Estimated Useful Life
Asset classification	
Equipment	5 years
Furniture and fixtures	7 years
Software	5 years
Leasehold improvements	Lesser of estimated useful life or lease term

Estimated useful lives are periodically assessed to determine if changes are appropriate. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of these assets and related accumulated depreciation or amortization are eliminated from the consolidated balance sheet and any resulting gains or losses are included in the consolidated statement of operations in the period of disposal. Costs for capital assets not yet placed into service are capitalized as construction-in-progress and depreciated once placed into service. Assets held under capital leases are stated at the lesser of the present value of future minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization of assets held under capital leases is computed using the straight-line method over the shorter of the estimated useful life of the asset or the period of the related lease.

Impairment of Long-Lived Assets

Long-lived assets consist of property and equipment. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset group for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset group to its carrying value. An impairment loss would be recognized in loss from operations when estimated undiscounted future cash flows expected to result from the use of an asset group are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset group over its fair value, determined based on discounted cash flows. The Company did not record any impairment losses on long-lived assets during the years ended December 31, 2019 or 2018.

Fair Value Measurements

Certain assets and liabilities of the Company 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 and 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.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

An entity may choose to measure many financial instruments and certain other items at fair value at specified election dates. Subsequent unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings.

The Company's cash equivalents are carried at fair value according to the fair value hierarchy described above and were determined based on Level 1 measurements (see Note 4). The Company's restricted cash is carried at fair value according to the fair value hierarchy described above and were determined based on Level 2 measurements (see Note 4). The carrying values of other current assets and accounts payable approximate their fair value due to the short-term nature of these assets and liabilities. The carrying values of the Company's loan approximated its fair value as of December 31, 2019 and March 31, 2020 due to its variable interest rate. The fair value of the loan related embedded derivative (see Note 4) was determined based on Level 3 measurements.

Deferred Offering Costs

The Company capitalizes certain legal, professional, accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of the equity financing, these costs are recorded in members' deficit as a reduction of proceeds generated as a result of the offering. Should an in-process equity financing be abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the consolidated statements of operations. As of December 31, 2019 and 2018, the Company had no deferred offering costs.

Research and Development Costs

Costs associated with internal research and development and external research and development services, including drug development and preclinical studies, are expensed as incurred. Research and development expenses include costs for salaries, employee benefits, subcontractors, facility-related expenses, depreciation and amortization, unit-based compensation, third-party license fees, laboratory supplies, and external costs of outside vendors engaged to conduct discovery, preclinical and clinical development activities and clinical trials as well as to manufacture clinical trial materials, and other costs. The Company recognizes external research and development costs based on an evaluation of the progress to completion of specific tasks using information provided to the Company by its service providers.

Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. Such prepaid expenses are recognized as an expense when the goods have been delivered or the related services have been performed, or when it is no longer expected that the goods will be delivered, or the services rendered.

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 if it is determined the license has no alternative future use.

Accrued Research and Development Expenses

The Company has entered into various research and development and other agreements with commercial firms, researchers, universities and others for provisions of goods and services. These agreements are generally cancelable, and the related costs are recorded as research and development expenses as incurred. The Company records accruals for estimated ongoing research and development costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies or clinical trials, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates are made in determining the accrued balances at the end of any reporting period. Actual results could differ materially from the Company's estimates. The Company's historical accrual estimates have not been materially different from the actual costs.

Debt Issuance Costs

Debt issuance costs consist of payments made to secure commitments under certain debt financing arrangements. These amounts are recognized as interest expense over the period of the financing arrangement using the effective interest method. If the financing arrangement is canceled or forfeited, or if the utility of the arrangement to the Company is otherwise compromised, these costs are recognized as interest expense immediately.

The Company's consolidated financial statements present debt issuance costs related to a recognized debt liability as a direct reduction from the carrying amount of that debt liability.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expense in the consolidated statements of operations.

Unit-Based Compensation

The Company accounts for all unit-based awards granted to employees and non-employees as unit-based compensation expense at fair value. The Company measures the estimated fair value of the unit-based award on the date of grant.

The Company determines the fair value of the underlying profit interest units based on input from management and approved by the Board, which utilizes the Company's enterprise value determined utilizing various methods including the back-solve method, the option-pricing method ("OPM") or a hybrid of the probability-weighted expected return method ("PWERM") and the OPM. The total enterprise value is then allocated to the various outstanding equity instruments, including the underlying profit interest, utilizing the option-pricing model.

For employee and non-employee awards, the Company recognizes compensation expense over the requisite service period, which is generally the vesting period of the respective award based on the grant date fair value of the award. The Company accounts for forfeitures as they occur.

The fair value of each profits interest unit 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 unit price volatility, the expected term of the unit, the risk-free interest rate for a period that approximates the expected term of the units and the Company's expected dividend yield. The fair value of each restricted equity award is estimated on the date of grant based on the fair value of the Company's common units on that same date. As there is no public market for its common units, the Company determines the volatility for awards granted based on an analysis of reported data for a group of guideline companies that issued options with substantially similar terms. The expected volatility has been determined using a weighted-average of the historical volatility measures of this group of guideline companies. The Company expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded unit price. The expected term of the Company's units granted to employees has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The Company has elected to apply the nonpublic entity practical expedient for calculating the expected term of non-employee awards, using the midpoint between the vesting date and the contractual term, which is consistent with the method used for employee awards. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The Company has not paid, and does not anticipate paying, cash dividends on its common units; therefore, the expected dividend yield is assumed to be zero.

Income Taxes

Compass Therapeutics LLC elected to be treated as a partnership for income tax reporting purposes and therefore, federal and Massachusetts and any other state income taxes are the responsibility of the individual members. As such, no federal or state income taxes related to the LLC are recorded in the consolidated financial statements. The Company's wholly-owned subsidiary, Compass Therapeutics Advisors Inc., is organized as a C-corporation and is subject to federal and state income taxes. All such taxes have been recorded in the consolidated financial statements.

The Company follows the liability method of accounting for income taxes, as set forth in ASC 740, *"Accounting for Income Taxes."* ASC 740 provides for the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. The guidance requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided to reduce the deferred tax asset to a level which, more likely than not, will be realized. See Note 15 "Income Taxes" for further discussion of income taxes.

ASC 740-10, *"Accounting for Uncertainty in Income Taxes"* ("ASC 740-10"), provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an enterprise's financial statements. In accordance with ASC 740-10, income tax positions must meet a more likely than not recognition threshold at the effective date to be recognized upon the adoption of the standard and in subsequent periods. The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits within operations as income tax expense over the next twelve months. The Company has no liabilities for uncertain tax positions recorded as of December 31, 2019 and 2018.

Net Loss per Unit

The Company follows the two-class method when computing net loss per unit as the Company has issued units that meet the definition of participating securities. The two-class method determines net income (loss) per unit for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common unitholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Basic net income (loss) per unit attributable to common unitholders is computed by dividing the net income (loss) attributable to common unitholders by the weighted average number of common units outstanding for the period. Diluted net income (loss) attributable to common unitholders is computed by adjusting net income (loss) attributable to common unitholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per unit attributable to common unitholders is computed by dividing the diluted net income (loss) attributable to common unitholders by the weighted average number of common units outstanding for the period, including potential dilutive common units. For purpose of this calculation, outstanding profit interest options, convertible preferred unit and warrants to purchase shares of convertible preferred units are considered potential dilutive common units.

The Company's convertible preferred unit contractually entitles the holders of such units to participate in dividends but does not contractually require the holders of such units to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss attributable to common unitholders, such losses are not allocated to such participating securities. In periods in which the Company reports a net loss attributable to common unitholders, diluted net loss per unit attributable to common unitholders is the same as basic net loss per unit attributable to common unitholders, since dilutive common units are not assumed to have been issued if their effect is anti-dilutive. The Company reported a net loss attributable to common unitholders for the years ended December 31, 2019 and 2018.

Recently Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which supersedes existing revenue recognition guidance under GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard defines a five-step process to achieve this principle and will require companies to use more judgment and make more estimates than under the prior guidance. The Company expects that these judgments and estimates will include identifying performance obligations in the customer contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU 2014-09 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The Company adopted ASU 2014-09 as of January 1, 2018, and the adoption had no impact on the Company's consolidated financial statements as the Company does not currently have any revenue-generating arrangements.

In March 2016, the FASB issued ASU No. 2016-09, "*Improvements to Employee Share-Based Payment Accounting"* ("ASU 2016-09"). ASU 2016-09 identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. The Company adopted ASU 2016-09 as of January 1, 2018, and the adoption did not have a material impact on the Company's consolidated financial statements.

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 Company adopted ASU 2017-09 as of January 1, 2018, and the adoption did not have a material impact on the Company's consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-07, "*Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*" ("ASU No. 2018-07"). These amendments expand the scope of Topic 718, Compensation—Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned. The ASU supersedes Subtopic 505-50, Equity—Equity-Based Payments to Non-Employees. The Company adopted ASU 2018-07 as of January 1, 2018, and the adoption did not have a material impact on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash* ("ASU 2016-18"). ASU 2016-09 will require consistency for the presentation of restricted cash on the statement of cash flows. The new guidance requires amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Company adopted ASU 2016-18 as of January 1, 2018, and the adoption did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires a lessee to record a right-of-use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the consolidated financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The standard is effective for the Company beginning January 1, 2021, with early adoption permitted. The Company plans to adopt this standard on January 1, 2021 and is currently evaluating the expected impact that the standard could have on its consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, Disclosure Framework—*Changes to the Disclosure Requirements for Fair Value Measurements*, which changes the fair value measurement disclosure requirements of ASC Topic 820. The goal of the ASU is to improve the effectiveness of ASC Topic 820's disclosure requirements. The standard is effective for the Company beginning January 1, 2020. The adoption of this guidance is not expected to be material to the Company's consolidated financial statements and related disclosures.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606* ("ASU 2018-18"). 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 standard is effective for the Company beginning January 1, 2021. The Company is currently evaluating the potential impact ASU 2018-18 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* ("ASU 2019-12"), 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, 2022. The Company does not expect the adoption of ASU 2019-12 to have a material impact on the Company's consolidated financial statements.

4. Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	Fair Value Measurements as of December 31, 2019 Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31,
Assets				
Cash equivalents – money market funds	$ 22,784	$ —	$ —	$ 22,784
Restricted cash	—	263	—	263
Total assets	$ 22,784	$ 263	$ —	$ 23,047
Liabilities				
Derivative liability related to loan	$ —	$ —	$ 494	$ 494
Total liabilities	$ —	$ —	$ 494	$ 494

	Fair Value Measurements as of December 31, 2018 Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31,
Assets				
Cash equivalents – money market funds	$ 55,291	$ —	$ —	$ 55,291
Restricted cash	—	262	—	262
Total assets	$ 55,291	$ 262	$ —	$ 55,553
Liabilities				
Long term call right liability	$ —	$ —	$ 390	$ 390
Total liabilities	$ —	$ —	$ 390	$ 390

Valuation of Call Right Liability

As of December 31, 2017, the call right liability was comprised of the fair value of each investors' right to purchase their allotted A-5 preferred units at the predetermined purchase price as described in Note 8. These call rights were financial instruments that might create a conditional obligation to repurchase units for cash in the contract and were therefore recorded as liabilities and measured at fair value. The call right liability was settled in June 2018 with the issuance of Series A-5 preferred units ("Series A-5") as further described in Note 8 and is, therefore, no longer outstanding. The fair value of the Series A-5 call rights was based on significant inputs not observable in the market, which represented a Level 3 measurement within the fair value hierarchy. The Company utilized a Monte Carlo model to value these instruments. The assumptions used, in the Monte Carlo Simulations to value the equity on a daily basis through the expected date of the A-4 close were as follows: expected term of 0.75 years, expected volatility of 64.2%, risk-free rate of return of 0.53%, current total unit value of $67.5 million. An option pricing model was used to value the call right utilizing the following assumptions: equity price determined by Monte Carlo Simulations, expected term of 2.04 to 3.04 years, expected volatility of 67.4% to 68.7%, risk-free rate of return of 0.75% to 0.87%, and no expected dividend yield.

The following table provides a rollforward of the cumulative fair values of the Company's call right liability for which fair value is determined by Level 3 inputs (in thousands):

Balances at December 31, 2017	$ 313
Decrease in fair value of call right liability at issuance of Series A-5	(313)
Balances at December 31, 2018	$ —

Valuation of Derivative Liability

As of December 31, 2018, the Company's derivative liability was comprised of the contingent interest rate reset features and a contingent feature to pay a success fee upon the occurrence of certain liquidity events in accordance with the loan and security agreement (refer to Note 7). The Company classified these instruments as a liability on its consolidated balance sheets because these features were not clearly and closely related to its host instrument and met the definition of a derivative. The derivative liability was initially recorded at fair value upon issuance of the loan and is being subsequently remeasured to fair value at each reporting date. Changes in the fair value of the derivative liability are recognized as a component of other income (expense), net in the consolidated statements of operations.

The fair value of the derivative liability recognized in connection with the Company's loan and security agreement entered into on March 30, 2018 ("2018 Loan Agreement") (see Note 7) was determined based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the derivative liability was determined using the probability-weighted expected return method, which considered as inputs the type, timing and probability of occurrence of a change-of-control event, the future equity financing and cash settlement of the loans; the potential amount of the payment under each of these potential settlement scenarios; and the risk-adjusted discount rate reflecting the expected risk profile for each of the potential settlement scenarios.

The following table provides a roll forward of the aggregate fair values of the Company's derivative liability, for which fair value is determined using Level 3 inputs (in thousands):

Balances at December 31, 2017	$ —
Initial fair value of derivative liability in connection with loan	323
Change in fair value	67
Balances at December 31, 2018	390
Change in fair value	104
Balances at December 31, 2019	$ 494

5. Property and Equipment

Property and equipment as of December 31, 2019 and 2018, consisted of the following (in thousands):

	2019	2018
Equipment	$ 7,230	$ 6,904
Furniture and fixtures	629	599
Leasehold Improvements	896	1,172
Software	669	581
Assets not yet placed in service	230	207
Total property and equipment–at cost	9,654	9,463
Less: Accumulated depreciation and amortization	(5,903)	(4,096)
Property and equipment, net	$ 3,751	$ 5,367

Total depreciation and amortization expense for the years ended December 31, 2019 and 2018, was $2.1 and $1.9, respectively.

6. Accrued Expenses

Accrued expenses as of December 31, 2019 and 2019 consisted of the following (in thousands):

	2019	2018
Accrued employee compensation and benefits	$ 1,759	$ 1,196
Accrued external research and development expenses	249	401
Accrued legal fees	417	279
Accrued interest expense	87	91
Accrued federal and state taxes	1	44
Accrued sales taxes	554	475
Other accrued expenses	55	171
Total accrued expenses	$ 3,122	$ 2,657

7. Loan Payable

On March 30, 2018, the Company entered into the 2018 Loan Agreement with Pacific Western Bank, Inc. (“PWB”), which provides for a term loan of up to $15.0 million on the closing date, maturing and requiring full repayment of principal and interest by March 1, 2022 (“Maturity Date”). The Company borrowed the full $15.0 million available under the 2018 Loan Agreement in two separate tranches: $10.0 million upon execution of the 2018 Loan Agreement in March 2018 (“Tranche I”), and $5.0 million in September 2018 (“Tranche II”).

Borrowings under the 2018 Loan Agreement bear interest at a rate per year equal to the greater of 6.25% and 2.00% plus the Wall Street Journal prime rate; provided, however, that in the event the Company achieves certain milestones, the interest rate applicable to the borrowings under the 2018 Loan Agreement would be the greater of 6.25% and 1.50% plus the Wall Street Journal prime rate. In an event of default, as defined in the 2018 Loan Agreement, the interest rate applicable to borrowings would be increased by 5.0%.

The Company is required to make monthly payments of interest only, beginning on April 1, 2018 and continuing through March 30, 2019 (the "Interest Only End Date"), at which time the Company would begin making payments on the principal from April 1, 2019 through the Maturity Date. However, upon the achievement of certain milestones, the Interest Only End Date would be extended through September 30, 2019 or March 30, 2020, and the Maturity Date would be extended to September 1, 2022. The 2018 Loan Agreement allows for prepayment in full of the outstanding principal at any time, subject to a prepayment charge that is dependent on the prepayment date.

Per the 2018 Loan Agreement, upon a Liquidity Event, defined below, the Company would pay a success fee of $0.8 million, or $1.1 million if both Tranche I and Tranche II were issued ("Success Fee"). A Liquidity Event is defined as (a) any sale, license, or other disposition of all or substantially all of the assets of the Company, (b) any reorganization, consolidation, merger or sale of the voting securities of the Company or any other transaction where the holders of a Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction, or (c) an initial public offering of a Company's equity securities.

Borrowings under the 2018 Loan Agreement are collateralized by substantially all of the Company's personal property, excluding intellectual property. Under the 2018 Loan Agreement, the Company agreed to affirmative and negative covenants to which it would remain subject until maturity or repayment in full. The negative covenants included restrictions on the Company's ability to incur additional indebtedness, pay dividends, encumber its property, or engage in certain fundamental business transactions, such as mergers or acquisitions of other businesses. The obligations under the 2018 Loan Agreement are subject to acceleration upon occurrence of specified events of default, including payment default, insolvency and a material adverse change in the Company's business, operations or financial or other condition.

On September 26, 2018, the Company entered into the First Amendment to the 2018 Loan Agreement (the "First Amendment") which amended the primary depository covenant by waiving violations on maintaining excess cash and decreasing the primary depository covenant. The First Amendment also amended the Success Fee due upon the occurrence of a Liquidity Event, from $0.8 million with a contingent $0.3 million upon the advance of the Tranche II, to the full $1.1 million upon the occurrence of a Liquidity Event.

In March 2019, the Company entered into the Second Amendment to the 2018 Loan Agreement (the "Second Amendment"), which extended the second milestone date from March 31, 2019 to April 30, 2019. The first milestone was achieved in February 2018 which extended the interest only period through September 30, 2019.

In October 2019, the Company entered into the Third Amendment to the 2018 Loan Agreement (the "Third Amendment"), which extended the Interest Only End Date to March 31, 2020. The amendment also added an additional covenant requiring the Company to maintain a minimum cash balance of $6.0 million at PWB commencing April 2, 2020 if additional finance proceeds of $40.0 million are not raised prior to April 2, 2020.

Each of the three amendments to the 2018 Loan Agreement were analyzed and determined to be debt modifications and not extinguishments.

The aggregate principal amount of debt outstanding as of December 31, 2019 and 2018 was $15.0 million, including Tranche I and Tranche II amounts. Current and non-current debt obligations reflected in the consolidated balance sheets as of December 31, 2019 and 2018 consisted of the following (in thousands):

	December 31, 2018
Current liabilities:	
Term loan under the 2018 Loan Agreement	$ 3,750
Unamortized debt discount	(62)
Loans payable, net of discount	3,688
Non-current liabilities:	
Term loan under 2018 Loan Agreement	11,250
Unamortized debt discount	(186)
Loans payable, net of discount and current portion	11,064
Total loans payable, net of discount	$ 14,752

	December 31, 2019
Current liabilities:	
Term loan under the 2018 Loan Agreement	$ 5,625
Unamortized debt discount	(49)
Loans payable, net of discount	5,576
Non-current liabilities:	
Term loan under 2018 Loan Agreement	9,375
Unamortized debt discount	(82)
Loans payable, net of discount and current portion	9,293
Total loans payable, net of discount	$ 14,869

The Company recognized interest expense under the 2018 Loan Agreement, as amended, of $1.2 million and $0.8 million during the years ended December 31, 2019 and 2018, respectively, including interest expense related to the amortization of the debt discount of $0.1 million and $0.1 million, respectively. As of December 31, 2019 and 2018, the unamortized debt discount was $0.1 million and $0.2 million, respectively.

As of December 31, 2019, the aggregate minimum future principal payments due in connection with the 2018 Loan Agreement, as amended, are summarized as follows (in thousands):

Year Ending December 31,	
2020	$ 5,625
2021	7,500
2022	1,875
	$ 15,000

8. Preferred Units and Associated Call Right Liability

As of December 31, 2019 and 2018, the preferred units consisted of the following:

Preferred Units	Preferred Units Issued and Outstanding	Liquidation Preference (in thousands)
Series A-1	64,704,832	$ 15,978
Series A-2	36,782,734	15,000
Series A-3	23,467,151	15,000
Series A-4	15,253,415	15,000
Series A4B	22,216,583	21,848
Series A-5	44,739,689	49,214
	207,164,404	$ 132,040

The rights, preferences, and privileges of the preferred units are as follows:

Voting Rights

The preferred unitholders are entitled to the number of votes equal to the number of Class A common units into which each preferred unit is convertible. Any action to be taken by the unit holders requires the affirmative vote of a majority of unitholders, unless a different vote is required, including without limitation, actions requiring consent of the requisite preferred holders.

Conversion

Each preferred unit is convertible, at the option of the holder, at any time, and without the payment of additional consideration, into Class A common units as is determined by dividing the original purchase price by the conversion price with respect to such preferred unit in effect at the time of conversion. The Series A-1 conversion price is $0.2885 per unit, the Series A-2 conversion price is $0.4078 per unit, the Series A-3 conversion price is $0.6392, the Series A-4 and Series A4B conversion price is $0.9834 and the Series A-5 conversion price is $1.10.

Distribution

The Board shall, in its discretion, determine the timing and amount of any distribution to be made by the Company, in accordance with the operating agreement. Upon a liquidation event, proceeds are to be distributed in accordance with the following order of priority:

First, 100% to the members holding outstanding Series A-5, if any, to the extent of and in proportion to the Series A-5 units at $1.10 a unit with respect to the outstanding Series A-5 units held by each such member;

Second, 100% to the members holding outstanding Series A4B, if any, to the extent of and in proportion to the Series A4B units at $0.9834 a unit with respect to the outstanding Series A4B units held by each such member;

Third, 100% to the members holding outstanding Series A-4, if any, to the extent of and in proportion to the Series A-4 units at $0.9834 a unit with respect to the outstanding Series A-4 units held by each such member;

Fourth, 100% to the members holding outstanding Series A-3, if any, to the extent of and in proportion to the Series A-3 units at $0.6392 a unit with respect to the outstanding Series A-3 units held by each such member;

Fifth, 100% to the members holding outstanding Series A-2, if any, to the extent of and in proportion to the Series A-2 units at $0.4078 a unit with respect to the outstanding Series A 2 units held by each such member; and

Sixth, 100% to the members holding outstanding Series A-1, if any, to the extent of and in proportion to the Series A-1 units at $0.2885 a unit with respect to the outstanding Series A-1 units held by each such member; and

Seventh, after payment in full to the holders of outstanding preferred units of the full amounts distributable to them, 100% to the members holding outstanding common units, in proportion to the respective number of outstanding common units held by each member (in addition to any payments made in respect of profit interest units to the extent the distributions made to holders of other units exceed the applicable "strike price" of the incentive units in question).

Preferred units shall be automatically deemed and treated as if they were converted into common units solely for purposes of determining the distributions made pursuant to the order of priority above, if the common unit distribution amount equals or exceeds (A) the original issue price then applicable to such Series of preferred units plus (B) the per unit amount of any unpaid tax distributions, divided by (C) the number of common units then issuable upon conversion hereunder of one (1) unit of such series of preferred units.

Liquidation

In the event of any liquidation or deemed liquidation, dissolution or winding-up of the Company, the assets of the Company would be distributed in accordance with the same order of priority as distributions.

The holders of preferred units have liquidation rights in the event of a deemed liquidation that, in certain situations, are not solely within the control of the Company. Therefore, the preferred units are classified outside of members' deficit on the consolidated balance sheets.

Call Right Liability

In connection with a financing in 2015, the Series A-1 investors obtained call rights to purchase an aggregate of 36,782,737 units of Series A-2 at $0.4078 per unit, 23,466,834 units of Series A-3 at $0.6392 per unit, and 15,253,203 units of Series A-4 at $0.9834 per unit upon reaching certain predetermined scientific milestones. As each milestone was met, each investor was able to purchase their allotted preferred units at the prices per unit described above. In the event an investor elected not to purchase their preferred units upon a milestone event, that investor's preferred units from the immediately preceding preferred unit round were automatically converted into Class A common units on a ten for one basis.

The call rights represented a freestanding financial instrument and required bifurcation from the preferred units. The call right is liability classified and was recorded upon issuance at fair value as a call right liability in the consolidated balance sheet. Subsequent changes in the fair value were recognized in the consolidated statement of operations in "change in fair value of call right liability" in the financial years that such changes related to. As of December 31, 2018, the call right liability had been settled as all issuances of Series A had been made.

Sale of Series A-5

In June 2018, the Company issued 44,739,689 units of Series A-5 at $1.10 per unit and 4,509,750 units of Class C common units, for gross proceeds of $ 49.2 million. Proceeds, net of issuance costs of $0.1 million, were $48.4 million. The Class C common units are intended to constitute "profits interests" for tax purposes and was valued at $0.7 million using an option pricing model valuation approach. Refer to Note 9 for the discussion on the valuation methodology.

The Series A-5 call rights previously issued in connection with the 2015 financing were valued at $0.3 million as of December 31, 2017. The valuation was based on the right having strike price of $1.66 per unit of Series A-5. In June 2018, the call right was amended to $1.10 per unit as the then Series A-5 fair value was $1.10 per unit. The fair value of the call right liability was $0 immediately before the Series A-5 financing. The Company recorded a gain in the consolidated statement of operations with a corresponding decrease to call right liability of $0.3 million for the year ended December 31, 2018.

9. Common Units, Warrants and Unit Incentive Plans

Upon formation of the Company, a capital account was established for each member. The capital account of each member is adjusted for the cash and property contributed by or distributed to each member, the amount of net profits or loss allocated to the member, and other adjustments. Net profit or loss is allocated to the members in proportion to their respective member interests in the Company.

In connection with prior financing transactions the Company issued warrants to purchase common units. A summary of the outstanding warrants at both December 31, 2019 and March 31, 2020 is as follows:

Date Granted	Number	Exercise Price	Expiration Date
6/17/2015	5,267,959	$ 2.8474	7/17/2022
12/7/2015	5,267,959	$ 2.8474	7/17/2022
9/7/2016	5,268,035	$ 2.8474	7/17/2022
7/11/2017	5,268,034	$ 2.8474	7/17/2022

The Company established two classes of its common units, one designated as Class A common units, each of which entitled its holder to one vote per unit; and the second designated as Class B common units, each of which entitled its holder to one vote per unit. In June 2018, the Board authorized the issuance of Class C common units and the Company redesignated Class B common units as Class A common units. As of December 31, 2018, Class A and Class C common units were the only classes of common units, each of which entitled its holder to one vote per unit. Due to employee terminations and resignations, 10,588,659 and 1,186,127 of Class A common units were forfeited during the years ended December 31, 2019 and 2018, respectively. The Company's outstanding common units have been issued from the incentive pool and the founders pool. In June 2018, the founders pool was dissolved. Certain incentive units available for issuance under the founder's pool were distributed to the holders of the Series A-3 and the Series A-4, as Class C common units. The remainder of the units available for issuance were redesignated as units available for issuance under the incentive pool as Class A common units. Common units in the incentive pool may be issued by the Board to employees, directors of, and consultants or advisors to the Company.

The Class C common units, issued to Series A-3, Series A-4 and Series A-5 holders, as well as the Class A common units issued or issuable under the incentive pool include incentive units (as defined in the restated operating agreement), are intended to constitute "profits interests" for tax purposes. Profits interest units are recorded as issued and outstanding common units when granted. Standard vesting for profits interests provide for 25% of units to vest after one year with the remaining vesting monthly thereafter over 36 months. As approved by the Board, some grants may have different vesting provisions. Class C common units were vested in full upon grant.

Unvested profits interests unit's activity for the year ended December 31, 2019 and 2018, was as follows:

	Number of Nonvested Profits Interests	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2018	9,765,439	0.08
Granted	16,143,382	0.22
Vested	(4,790,327)	0.07
Forfeited	(1,186,217)	0.12
Outstanding at December 31, 2018	19,932,277	0.19
Granted	19,643,100	0.16
Vested	(7,044,620)	0.14
Forfeited	(10,588,658)	0.21
Outstanding at December 31, 2019	21,942,099	0.18
Expected to vest at December 31, 2018	19,932,277	
Expected to vest at December 31, 2019	21,942,099	

In connection with the issuance of any profits interests, the Board will determine and set a threshold dollar amount with respect to the units, or 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 an option pricing model to value profit interests. The assumptions used to value profits interests granted during the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Expected term (in years)	6.0	6.0
Risk-free rate	1.74%	2.51%
Expected volatility	72.75%	60.28%
Expected dividend yield	0.00%	0.00%

The weighted-average grant-date fair value for profits interests granted during the years ended December 31, 2019 and 2018 was $0.16 and $ 0.22 per unit, respectively. Compensation expense from profits interests for the years ended December 31, 2019 and 2018, was $0.9 million and $0.7 million, respectively. As of December 31, 2019, remaining unrecognized compensation expense related to nonvested profits interests was $3.6 million, which is expected to be recognized over a weighted-average period of 2.2 years.

10. License, Research and Collaboration Agreements

License Agreements

Horizon Agreements

The Company entered into a license agreement on October 14, 2016 (the "Horizon Agreement") with Horizon Discovery Ltd. ("Horizon"), which agreement pertains to a gene-edited cell line and expression vector. Under the terms of the Horizon Agreement, the Company paid a one-time only, upfront fee of £0.5 million (approximately $0.5 million) upon execution of the agreement in October 2016. The Company may terminate the Horizon Agreement without cause at any time upon 30 days prior written notice to Horizon.

In February 2018 the Company entered two license agreements (the "Horizon SSI License Agreement" and the "Horizon Transposase License Agreement") with Horizon, collectively referred to as the Horizon License Agreements. The Horizon SSI License Agreement pertains to certain single site integration technology and the Horizon Transposase License Agreement pertains to certain transposase technology. In June 2019, the Company exercised its' right to terminate both agreements and no additional payments were made or are due.

The Company accounted for the acquisition of technology as an asset acquisition because it did not meet the definition of a business. The Company recorded the upfront payment as research and development expense in the consolidated statement of operations and comprehensive loss because the acquired technology represented in-process research and development and had no alternative future use. The Company recorded research and development expense of $0 and $0.3 million in connection with the Horizon SSI License Agreement during the years ended December 31, 2019 and 2018, respectively, and recorded research and development expense of $0 and $0.3 million in connection with the Horizon Transposase License Agreement during the years ended December 31, 2019 and 2018, respectively.

Collaboration Agreements

Adimab Agreement

The Company entered into a collaboration agreement with Adimab, LLC on October 16, 2014 which was subsequently amended on December 6, 2014 and February 11, 2015. As of December 31, 2019, future milestone payments in connection with this agreement amounted to $3.5 million. The agreement also includes provisions for payment of royalties at rates ranging in the single digits as a percentage of future net sales within a specified term from the first commercial sale. The Company recorded research and development expense of $1.5 million and $0 in connection with this agreement during the years ended December 31, 2019 and 2018, respectively.

Other License and Research Agreements

During 2019 and 2018, the Company entered into several license agreements with various academic and health care institutions to in-license certain intellectual property rights and know-how relevant to its programs. As part of the consideration related to these license agreements, the Company made cash payments of $0.8 million and $0.6 million during the years ended December 31, 2019 and 2018, respectively. The Company recorded $0.8 million and $0.4 million to research and development expense during the years ended December 31, 2019 and 2018, respectively. In addition, the Company also committed to make certain clinical and regulatory milestone payments in the aggregate of $0.5 million associated with the in-licensed technology.

11. Commitments

Operating Leases

The Company leased office space in Hanover, NH until the lease was assigned to a third party on February 1, 2018. The Company currently leases laboratory and office space in Cambridge, MA. The Company also leases a vivarium and storage space in Cambridge, MA which was extended in June 2019 through January 2021.

All leases expire between January 31, 2020 and January 31, 2021. The future minimum rental payments under the leases as of December 31, 2019 are as follows (in thousands):

	Amount
Year Ending December 31,	
2020	$ 302
2021	13
	$ 315

In addition, the Company subleased one of its facilities in Cambridge, Massachusetts to an unrelated third party beginning on October 21, 2017 and expired at the end of the original lease term on December 31, 2018. The Company received approximately $ 0.5 million in annual sublease rental income for the year ended December 31, 2018. Rental expense is recorded as an operating expense within both research and development and general and administrative expenses. Rental expense for the years ended December 31, 2019 and 2018 was $ 1.8 million and $1.8 million, respectively.

The sublease on the Company's main facility was set to expire on January 31, 2020. In January 2020, the sublease was extended. Refer to Note 16.

12. Severance Costs

The Company incurred severance costs in 2018 and 2019. The costs recorded and paid are summarized as follows for the year ended December 31, 2019 (in thousands):

Balances at December 31, 2017	$ 0
Additional severance agreements	294
Payments	(74)
Balances at December 31, 2018	$ 220
Additional severance agreements	447
Payments	(667)
Balances at December 31, 2019	$ —

13. Defined Contribution Plan

The Company has a 401(k) defined contribution plan (the "401(k) Plan") for substantially all of its employees. Eligible employees may make pre-tax or post-tax (Roth) contributions to the 401(k) Plan up to statutory limits. The Company does not make contributions to the plan.

14. Related Parties and Related-Party Transactions

On October 16, 2014, the Company entered into a collaboration agreement with Adimab, LLC.

The Company's co-founder has a direct ownership interest in Adimab, LLC. The Company recorded $1.5 million and $0 in research and development expense related to Adimab, LLC for the years ended December 31, 2019 and 2018, respectively.

On September 18, 2017, the Company entered into a software license and services agreement with StackWave, LLC. An employee of the Company is the co-founder and has a direct ownership interest in StackWave, LLC. The Company recorded software expense of $20,000 and $37,000 in general and administration expense related to StackWave, LLC for the years ended December 31, 2019 and 2018, respectively. The Company also recorded capitalized software of $0.1 and $0.3 related to StackWave, LLC for the years ended December 31, 2019 and 2018, respectively.

15. Income Taxes

Compass Therapeutics LLC is organized as a Delaware Limited Liability Company (LLC), treated as a partnership for federal and state income tax purposes. As such, members are allocated their share of the Company's income/loss and are responsible for any federal, Massachusetts or any other state income taxes thereon. No federal or Massachusetts income taxes related to the LLC are recorded in the consolidated financial statements. The Company's wholly owned subsidiary, Compass Therapeutics Advisors Inc., is organized as a C-corporation and is subject to federal and state income taxes. All such taxes have been recorded in the consolidated financial statements.

The federal and state income tax provision is summarized as follows (in thousands):

	2019	2018
Current		
Federal	$ (61)	$ (64)
State	(30)	(39)
	(91)	(103)
Deferred		
Federal	—	—
State	—	—
Total provision for income taxes	$ (91)	$ (103)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Significant components of the Company's deferred tax assets are as follows (in thousands):

	2019	2018
Short-Term Deferred tax asset		
Net operating losses	$ —	$ 26
Deferred tax asset before valuation allowance	—	26
Short-Term Valuation allowance		(26)
Net short-term deferred tax asset	$ —	$ —
Long-Term Deferred tax asset		
R&D and other credit carryforwards	1,511	980
Deferred tax asset before valuation allowance	1,511	980
Long-Term Valuation allowance	(1,511)	(980)
Net long-term deferred tax asset	$ —	$ —

Management of the Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which principally comprise of research and development credits. Starting in 2017, the Company is able to utilize a portion of its research and development credit against payroll taxes due to new federal tax legislation. The election was not made in 2019. The amounts listed above for 2018 are net of the portion applied against payroll. Management has considered the Company's history of losses and excess credits and concluded that it is more likely than not that the Company will not recognize all of the benefit of federal deferred tax assets and all of the benefit of state deferred tax assets. Accordingly, a short-term valuation allowance of $0 and $0.1 and a long-term valuation allowance of $1.5 and $1.0 have been established at December 31, 2019 and 2018, respectively.

The Company does not have any liabilities related to uncertain tax positions as of December 31, 2019 and 2018.

16. Subsequent Events

For its consolidated financial statements as of December 31, 2019 and for the year then ended, the Company evaluated subsequent events through June 23, 2020, the date on which those financial statements were issued, and the following subsequent events were noted.

Merger Transaction

On June 19, 2020, Olivia Ventures, Inc., Acquisition Sub, Compass Therapeutics Acquisition, Blockers, Blockers Merger Subs and Blocker Holders entered into the Merger Agreement with Compass Therapeutics LLC, pursuant to which Compass Acquisition Sub merged with and into Compass Therapeutics LLC, with Compass Therapeutics continuing as the surviving entity and Acquisition Sub' wholly-owned subsidiary, and each Blocker Merger Sub merged with and into the applicable Blocker, with each Blocker continuing as the surviving entity and Blocker Merger Subs' wholly-owned subsidiary. As a result of the Merger, we acquired the business of Compass Therapeutics.

At the Effective Time, an aggregate of 31,627,139 shares of our common stock were issued to holders of common and preferred membership units of Compass Therapeutics and to the holders of equity interests of the Blockers, after adjustments due to rounding for fractional shares. With respect to 15 holders of an aggregate of 131,472 Compass Therapeutics common membership units who were not accredited investors, we paid an aggregate of approximately $68 thousand in cash in consideration for cancelling such membership units in connection with the Merger. In addition, 2,930,836 shares of our common stock were reserved for issuance under our 2020 Stock Option and Incentive Plan. Immediately prior to the Effective Time, an aggregate of 4,000,000 of the 5,000,000 shares of our common stock held by pre-Merger stockholders of Olivia Ventures, Inc. were forfeited and surrendered for cancellation.

The Merger and the Blocker Mergers were treated as a recapitalization and reverse acquisition by us for financial reporting purposes. Compass Therapeutics is considered the acquirer for accounting purposes, and our historical financial statements before the Merger will be replaced with the historical financial statements of Compass Therapeutics before the Merger in future filings with the SEC. The Merger is intended to be treated as a tax-free reorganization under Section 368(a) of the Code.

Private Placement Offering

On June 19, 2020, we sold 12,096,442 shares of our common stock pursuant to the initial closing of a private placement offering for up to 14,000,000 shares of our common stock, at a purchase price of $5.00 per share for approximately $54 million in net proceeds. The Offering closed on June 19, 2020. We may hold one or more subsequent closings at any time prior to July 19, 2020, unless otherwise extended, to sell any remaining shares in the Offering. We may also sell up to an additional 2,000,000 shares of our common stock at the Offering Price to cover over-subscriptions in the event the Offering is oversubscribed.

Operating Leases

On January 8, 2020, the Company extended its lease on the laboratory and office space in Cambridge, MA through January 2021. Total additional lease payments expected in 2020 and 2021 as a result of the extension were approximately $1.8.

Coronavirus (“COVID-19”)

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic which continues to spread throughout the United States and the world. The Company is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread, in addition to the impact on its employees. The Company is not able to predict the ultimate impact that COVID -19 will have on its business; however, if the current economic conditions continue the Company will be forced to significantly scale back its business operations and its growth plans, and could ultimately have a significant negative impact on the Company.

Exhibit 99.2

Compass Therapeutics LLC and Subsidiary

Index to Unaudited Financial Statements

Compass Therapeutics LLC and Subsidiary

Condensed Consolidated Balance Sheets

(In thousands, except unit data)

	December 31, 2019 (Note 3)	March 31, 2020 (Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 25,303	$ 17,530
Prepaid expenses and other current assets	935	959
Total current assets	26,238	18,489
Property and equipment, net	3,751	3,315
Restricted cash	263	263
Other assets	129	213
Total assets	$ 30,381	$ 22,280
Liabilities, Convertible Preferred Units and Members' Deficit		
Current liabilities:		
Current portion of long-term debt	$ 5,576	$ 7,447
Accounts payable	629	343
Accrued expenses	3,122	1,117
Derivative liability related to loan	494	814
Total current liabilities	9,821	9,721
Long-term debt, including accretion, net of current portion	9,293	7,447
Total liabilities	19,114	17,168
Commitments and Contingencies (Note 2 and 11)		
Convertible preferred units (Series A-1, A-2, A-3, A-4, A4B and A5) 207,164,404 units authorized, issued, and outstanding as of December 31, 2019 and March 31, 2020; aggregate liquidation preference of $132,039,394 as of December 31, 2019 and March 31, 2020	129,870	129,870
Members' deficit:		
Class A common units - 305,346,089 units authorized as of December 31, 2019 and 316,897,443 units authorized as of March 31, 2020; 75,632,932 units and 72,151,724 units issued and outstanding as of December 31, 2019 and March 31, 2020, respectively	2,585	2,832
Class C common units - 4,509,750 units authorized, issued, and outstanding as of December 31, 2019 and March 31, 2020	720	720
Accumulated deficit	(121,908)	(128,310)
Total members' deficit	(118,603)	(124,758)
Total liabilities, convertible preferred units and members' deficit	$ 30,381	$ 22,280

The accompanying notes are an integral part of these condensed consolidated financial statements.

Compass Therapeutics LLC and Subsidiary

Condensed Consolidated Statements of Operations
(In thousands,)

(Unaudited)

	For the Three Months Ended March 31,	
	2019	**2020**
Operating expenses:		
Research and development	$ 7,243	$ 3,571
General and administrative	3,351	2,260
Total operating expenses	10,594	5,831
Loss from operations	(10,594)	(5,831)
Other income (expense):		
Interest income	234	41
Interest expense	(318)	(276)
Change in fair value of derivative liability	(57)	(320)
Realized foreign exchange loss	(7)	—
Total other income (expense)	(148)	(555)
Loss before income tax expense	(10,742)	(6,386)
Income tax expense	(29)	(16)
Net loss	$ (10,771)	$ (6,402)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Compass Therapeutics LLC and Subsidiary

Condensed Consolidated Statements of Preferred Units and Members' Deficit
(In thousands, except unit data)
(Unaudited)

	Convertible Preferred Units									
	Series A-1, A-2, A-3, A-4, A4B and A-5		Common Units Class A		Common Units Class B		Common Units Class C		Accumulated Deficit	Total Members' Deficit
	Units	Amount	Units	Amount	Units	Amount	Units	Amount		
Balance at December 31, 2019	207,164,404	$ 129,870	75,632,932	$ 2,585	—	$ —	4,509,750	$ 720	$ (121,908)	$ (118,603)
Unit compensation expense	—	—	—	247	—	—	—	—	—	247
Forfeiture of common units	—	—	(3,481,208)	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	(6,402)	(6,402)
Balance at March 31, 2020	207,164,404	$ 129,870	72,151,724	$ 2,832	—	$ —	4,509,750	$ 720	$ (128,310)	$ (124,758)
Balance at December 31, 2018	207,164,404	$ 129,870	66,578,491	$ 1,670	—	$ —	4,509,750	$ 720	$ (87,164)	$ (84,774)
Issuance of profit interests and related unit compensation expense	—	—	100,000	255	—	—	—	—	—	255
Forfeiture of common units	—	—	(23,281)	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	(10,771)	(10,771)
Balance at March 31, 2019	207,164,404	$ 129,870	66,655,210	$ 1,925	—	$ —	4,509,750	$ 720	$ (97,935)	$ (95,290)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Compass Therapeutics LLC and Subsidiary

Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	For the Three Months Ended March 31,	
	2019	**2020**
Cash flows from operating activities:		
Net loss	$ (10,771)	$ (6,402)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	526	463
Non-cash interest expense	33	26
Unit-based compensation	255	247
Change in fair value of derivative liability	57	320
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	103	(24)
Other long-term assets	—	(34)
Accounts payable	(588)	(285)
Accrued expenses	(92)	(2,072)
Net cash used in operating activities	(10,477)	(7,761)
Cash flows from investing activities:		
Purchases of property and equipment	(319)	(12)
Net cash used in investing activities	(319)	(12)
Cash flows from financing activities:		
Net cash provided by financing activities	—	—
Net change in cash, cash equivalents and restricted cash	(10,796)	(7,773)
Cash, cash equivalents and restricted cash at beginning of period	57,773	25,566
Cash, cash equivalents and restricted cash at end of period	$ 46,977	$ 17,793
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 279	$ 256
Supplemental disclosure of noncash investing and financing activities		
Acquisition of equipment included in accrued expenses	$ -	$ 15
Deferred offering costs included in accrued expenses	$ -	$ 64

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Nature of Business and Basis of Presentation

Compass Therapeutics LLC, a limited liability company, was formed under the laws of the State of Delaware in January 2014. Compass Therapeutics LLC has a wholly-owned subsidiary, Compass Therapeutics Advisors Inc., formed in February 2015. Compass Therapeutics LLC and its wholly-owned subsidiary (the "Company") are headquartered in Massachusetts. The Company is a fully integrated drug discovery and development company focused on comprehensively drugging the immune system with combinations of human monoclonal antibodies, multiclonals and engineered protein constructs.

The Company is subject to risks and uncertainties common to companies in the biotechnology and pharmaceutical industries. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's technology will be obtained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. The Company operates in an environment of rapid change in technology and substantial competition from pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees and consultants.

2. Liquidity, Uncertainties and Going Concern

In accordance with Accounting Standards Update ("ASU") No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40)*, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the condensed consolidated financial statements are issued.

Since its inception, the Company has funded its operations primarily with proceeds from the sale of preferred units and borrowings under loan agreements. The Company has incurred recurring losses since its inception, including net losses of $34.7 million for the year ended December 31, 2019 and $6.4 million for the three months ended March 31, 2020. In addition, as of March 31, 2020, the Company had an accumulated deficit of $128.3 million. The Company expects to continue to generate operating losses for the foreseeable future. As of the issuance date of these financial statements, the Company expected that its cash and cash equivalents after taking into consideration private offering that was completed in June 2020 (See Note 13) would be sufficient to fund its operating expenses and capital expenditure requirements into Q4 2021. The future viability of the Company beyond that point is dependent on its ability to raise additional capital to finance its operations.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in Wuhan, China. As of May 2020, COVID-19 has spread to Europe, the United States and many other countries, and has been declared a pandemic by the World Health Organization. In an effort to contain the spread of COVID-19, the United States, Europe and Asia have implemented severe travel restrictions, social distancing requirements, stay-at-home or shelter-in-place orders and have delayed the commencement of non-COVID-19-related clinical trials, among other restrictions. As a result, the COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting our employees, communities and business operations, as well as contributing to significant volatility and negative pressure on the U.S. economy and in financial markets. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or mitigate its impact, and the economic impact on local, regional, national and international markets.

We have been carefully monitoring the COVID-19 pandemic and its potential impact on our business, and have taken important steps to help ensure the safety of our employees and their families and to reduce the spread of COVID-19 community-wide. We have established a work-from-home policy for all employees since mid March 2020, while ensuring essential staffing levels in our operations remain in place, including maintaining key personnel in our laboratory facilities. For those employees, we have implemented stringent safety measures designed to comply with applicable federal, state and local guidelines instituted in response to the COVID-19 pandemic.

While we are currently continuing the clinical trial we have underway, we expect that COVID-19 precautions may directly or indirectly impact the timeline for some of our clinical trial. To date, we have been able to continue to pursue our Phase 1 clinical trial without delays or major difficulties However, we 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.

3. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements are presented in U.S. dollars and 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 GAAP as found in the Accounting Standards Codification (“ASC”) and as amended by ASUs of the Financial Accounting Standards Board (“FASB”).

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all normal and recurring adjustments (which consist primarily of accruals, estimates and assumptions that impact the financial statements) considered necessary to present fairly the Company's financial position as of March 31, 2020 and its results of operations and cash flows for the three months ended March 30, 2019 and 2020. Operating results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020.

The condensed consolidated balance sheet at December 31, 2019 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements. For further information, refer to consolidated financial statements and footnotes thereto included elsewhere in this Form 8-K filing.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Compass Therapeutics LLC and its wholly-owned subsidiary, Compass Therapeutics Advisors Inc. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, the accrual of research and development expenses, the valuation of the embedded derivative, the valuation of common units and estimates associated with stock-based awards. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Actual results could differ from those estimates. Changes in estimates are recorded in the period that they become known.

Segment Information

Operating segments are defined as components of an enterprise for which separate and discrete information is available for evaluation by the chief operating decision-maker in deciding how to allocate resources and assess performance. The Company has one operating segment. The Company's chief operating decision-maker, its chief executive officer, manages the Company's operations on a consolidated basis for the purpose of allocating resources. All of the Company's long-lived assets are held in the United States.

Cash and Cash Equivalents

The Company considers all highly liquid investments that are readily convertible into cash with original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents include cash held in banks and amounts held in money market funds. Cash equivalents are stated at cost, which approximates market value. Cash equivalents consisted of money market funds of $22.8 million and $14.4 million at December 31, 2019 and March 31, 2020, respectively.

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents and restricted cash. The Company maintains its cash, cash equivalents and restricted cash with financial institutions that management believes to be of high-credit quality. The Company generally maintains balances in various operating accounts at financial institutions that management believes to be of high-credit quality, in amounts that may exceed federally insured limits. The Company has not experienced any losses related to its cash, cash equivalents and restricted cash.

As of December 31, 2019 and March 31, 2020, the Company had no off-balance sheet risks such as foreign exchange contracts, option contracts or other hedging arrangements.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are recorded using the straight-line method over the estimated useful lives of the related assets as follows:

Asset Classification	Estimated Useful Life
Equipment	5 years
Furniture and fixtures	7 years
Software	5 years
Leasehold improvements	Lesser of estimated useful life or lease term

Estimated useful lives are periodically assessed to determine if changes are appropriate. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost of these assets and related accumulated depreciation or amortization are eliminated from the condensed consolidated balance sheet and any resulting gains or losses are included in the condensed consolidated statement of operations in the period of disposal. Costs for capital assets not yet placed into service are capitalized as construction-in-progress and depreciated once placed into service. Assets held under capital leases are stated at the lesser of the present value of future minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization of assets held under capital leases is computed using the straight-line method over the shorter of the estimated useful life of the asset or the period of the related lease.

Impairment of Long-Lived Assets

Long-lived assets consist of property and equipment. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset group for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset group to its carrying value. An impairment loss would be recognized in the condensed consolidated statements of operations when estimated undiscounted future cash flows expected to result from the use of an asset group are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset group over its fair value, determined based on discounted cash flows. The Company did not record any impairment losses on long-lived assets during the three months ended March 31, 2019 and 2020.

Fair Value Measurements

Certain assets and liabilities of the Company 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 and 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.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

An entity may choose to measure many financial instruments and certain other items at fair value at specified election dates. Subsequent unrealized gains and losses on items for which the fair value option has been elected are reported in earnings.

The Company's cash equivalents are carried at fair value according to the fair value hierarchy described above and were determined based on Level 1 measurements (see Note 4). The Company's restricted cash is carried at fair value according to the fair value hierarchy described above and were determined based on Level 2 measurements (see Note 4). The carrying values of other current assets and accounts payable approximate their fair value due to the short-term nature of these assets and liabilities. The carrying values of the Company's loan approximated its fair value as of December 31, 2019 and March 31, 2020 due to its variable interest rate. The fair value of the loan related embedded derivative (see Note 4) was determined based on Level 3 measurements.

Deferred Offering Costs

The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of the equity financing, these costs are recorded in members' equity (deficit) as a reduction of proceeds generated as a result of the offering. Should an in-process equity financing be abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the condensed consolidated statements of operations. As of December 31, 2019 and March 31, 2020, the Company had deferred offering costs of $0.0 million and $0.1 million, respectively.

Research and Development Costs

Costs associated with internal research and development and external research and development services, including drug development and preclinical studies, are expensed as incurred. Research and development expenses include costs for salaries, employee benefits, subcontractors, facility-related expenses, depreciation and amortization, stock-based compensation, third-party license fees, laboratory supplies, and external costs of outside vendors engaged to conduct discovery, preclinical and clinical development activities and clinical trials as well as to manufacture clinical trial materials, and other costs. The Company recognizes external research and development costs based on an evaluation of the progress to completion of specific tasks using information provided to the Company by its service providers.

Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. Such prepaid expenses are recognized as an expense when the goods have been delivered or the related services have been performed, or when it is no longer expected that the goods will be delivered, or the services rendered.

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 condensed consolidated statements of operations if it is determined the license has no alternative future use.

Accrued Research and Development Expenses

The Company has entered into various research and development and other agreements with commercial firms, researchers, universities and others for provisions of goods and services. These agreements are generally cancelable, and the related costs are recorded as research and development expenses as incurred. The Company records accruals for estimated ongoing research and development costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies or clinical trials, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates are made in determining the accrued balances at the end of any reporting period. Actual results could differ materially from the Company's estimates. The Company's historical accrual estimates have not been materially different from the actual costs.

Unit-Based Compensation

The Company accounts for all unit-based awards granted to employees and non-employees as unit-based compensation expense at fair value. The Company measures the estimated fair value of the unit-based award on the date of grant.

The Company determines the fair value of the underlying profit interest units based on input from management and approved by the Board, which utilizes the Company's enterprise value determined utilizing various methods including the back-solve method, the option-pricing method ("OPM") or a hybrid of the probability-weighted expected return method ("PWERM") and the OPM. The total enterprise value is then allocated to the various outstanding equity instruments, including the underlying profit interest unit, utilizing the option-pricing model.

For employee and non-employee awards, the Company recognizes compensation expense over the requisite service period, which is generally the vesting period of the respective award based on the grant date fair value of the award. The Company accounts for forfeitures as they occur.

The fair value of each profits interest unit 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 unit price volatility, the expected term of the unit, the risk-free interest rate for a period that approximates the expected term of the unit and the Company's expected dividend yield. As there is no public market for its common units, the Company determines the volatility for awards granted based on an analysis of reported data for a group of guideline companies that issued options with substantially similar terms. The expected volatility has been determined using a weighted-average of the historical volatility measures of this group of guideline companies. The Company expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded unit price. The expected term of the Company's units granted to employees has been determined utilizing the "simplified" method which uses the midpoint between the vesting date and the contractual term, which is consistent with the method used for employee awards. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The Company has not paid, and does not anticipate paying, cash dividends on its common units; therefore, the expected dividend yield is assumed to be zero.

Net Loss per Unit

The Company follows the two-class method when computing net loss per unit as the Company has issued units that meet the definition of participating securities. The two-class method determines net income (loss) per unit for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common unitholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Basic net income (loss) per unit attributable to common unitholders is computed by dividing the net income (loss) attributable to common unitholders by the weighted average number of common units outstanding for the period. Diluted net income (loss) attributable to common unitholders is computed by adjusting net income (loss) attributable to common unitholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per unit attributable to common unitholders is computed by dividing the diluted net income (loss) attributable to common unitholders by the weighted average number of common units outstanding for the period, including potential dilutive common units. For purpose of this calculation, outstanding profit interest options, convertible preferred unit and warrants to purchase shares of convertible preferred units are considered potential dilutive common units.

The Company's convertible preferred unit contractually entitles the holders of such units to participate in dividends but does not contractually require the holders of such units to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss attributable to common unitholders, such losses are not allocated to such participating securities. In periods in which the Company reports a net loss attributable to common unitholders, diluted net loss per unit attributable to common unitholders is the same as basic net loss per unit attributable to common unitholders, since dilutive common units are not assumed to have been issued if their effect is anti-dilutive. The Company reported a net loss attributable to common unitholders for the three months ended March 31, 2019 and 2020.

The Company's potentially dilutive securities, convertible preferred units and warrants to purchase common units have been excluded from the computation of diluted net loss per unit as the effect would be to reduce the net loss per unit. Therefore, the weighted average number of common units outstanding used to calculate both basic and diluted net loss per unit attributable to common unitholders is the same. The Company excluded the following potential common units, presented based on amounts outstanding at each period end, from the computation of diluted net loss per units attributable to common unitholders for the periods indicated because including them would have had an anti-dilutive effect:

	For the Three Months Ended March 31,	
	2019	**2020**
Convertible preferred units	207,164,404	207,164,404
Warrants to purchase common units	21,071,987	21,071,987
Total	228,236,391	228,236,391

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires a lessee to record a right-of-use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the condensed consolidated financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The standard is effective for the Company beginning January 1, 2021, with early adoption permitted. The Company plans to adopt this standard on January 1, 2021 and is currently evaluating the expected impact that the standard could have on its condensed consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, Disclosure Framework—*Changes to the Disclosure Requirements for Fair Value Measurements*, which changes the fair value measurement disclosure requirements of ASC Topic 820. The goal of the ASU is to improve the effectiveness of ASC Topic 820's disclosure requirements. The standard is effective for the Company beginning January 1, 2020. The adoption of this guidance is not expected to be material to the Company's condensed consolidated financial statements and related disclosures.

In November 2018, the FASB issued ASU No. 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606* ("ASU 2018-18"). 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 standard is effective for the Company beginning January 1, 2021. The Company is currently evaluating the potential impact ASU 2018-18 may have on its financial position and results of operations upon adoption.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), 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, 2022. The Company does not expect the adoption of ASU 2019-12 to have a material impact on the Company's condensed consolidated financial statements.

4. Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values:

	Fair Value Measurements as of December 31, 2019 Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Assets				
Cash equivalents - money market funds	$ 22,784	$ —	$ —	$ 22,784
Restricted cash	$ —	$ 263	$ —	$ 263
Total assets	$ 22,784	$ 263	$ —	$ 23,047
Liabilities				
Derivative liability related to loan	$ —	$ —	$ 494	$ 494
Total liabilities	$ —	$ —	$ 494	$ 494

	Fair Value Measurements as of March 31, 2020 Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Assets				
Cash equivalents - money market funds	$ 14,395	$ —	$ —	$ 14,395
Restricted cash	$ —	$ 263	$ —	$ 263
Total assets	$ 14,395	$ 263	$ —	$ 14,658
Liabilities				
Derivative liability related to loan	$ —	$ —	$ 814	$ 814
Total liabilities	$ —	$ —	$ 814	$ 814

Valuation of Derivative Liability

The Company's derivative liability is comprised of the contingent interest rate reset features and a contingent feature to pay a success fee upon the occurrence of certain liquidity events, each of which met the definition of a derivative instrument, which terms are included in the loan and security agreement (refer to Note 7). The Company classified these instruments as a liability on the condensed consolidated balance sheets because these features are not clearly and closely related to its host instrument and met the definition of a derivative. The derivative liability was initially recorded at fair value upon issuance of the loan and is being subsequently remeasured to fair value at each reporting date. Changes in the fair value of the derivative liability are recognized as a component of other income (expense), net in the condensed consolidated statements of operations.

The fair value of the derivative liability recognized was determined based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the derivative liability was determined using the probability-weighted expected return method, which considered as inputs the type, timing and probability of occurrence of a change-of-control event, the future equity financing and cash settlement of the loans; the potential amount of the payment under each of these potential settlement scenarios; and the risk-adjusted discount rate reflecting the expected risk profile for each of the potential settlement scenarios.

The following table provides a roll forward of the aggregate fair values of the Company's derivative liability:

	Derivative Liability
Balance at December 31, 2018	$ 390
Change in fair value	104
Balance at December 31, 2019	$ 494
Change in fair value	320
Balance as of March 31, 2020 (unaudited)	$ 814

5. Property and Equipment

Property and equipment consist of the following:

	December 31, 2019	March 31, 2020
Equipment	$ 7,230	$ 7,229
Furniture and fixtures	629	629
Leasehold Improvements	896	896
Software	669	669
Assets not yet placed in service	230	243
Total property and equipment–at cost	9,654	9,666
Less: Accumulated depreciation and amortization	(5,903)	(6,351)
Property and equipment, net	$ 3,751	$ 3,315

Total depreciation and amortization expense for three months ended March 31, 2019 and 2020, was $0.5 million and $0.5 million, respectively.

6. Accrued Expenses

Accrued expenses consist of the following:

	December 31, 2019	March 31, 2020
Accrued employee compensation and benefits	$ 1,758	$ 277
Accrued external research and development expenses	249	147
Accrued legal fees	417	480
Accrued professional fees	—	52
Accrued interest expense	87	81
Accrued federal and state taxes	1	16
Accrued sales taxes	554	—
Other accrued expenses	56	64
Total accrued expenses	$ 3,122	$ 1,117

7. Loan Payable

On March 30, 2018, the Company entered into the 2018 Loan Agreement with Pacific Western Bank, Inc. ("PWB"), which provides for a term loan of up to $15.0 million on the closing date, maturing and requiring full repayment of principal and interest by March 1, 2022 ("Maturity Date"). The Company borrowed the full $15.0 million available under the 2018 Loan Agreement in two separate tranches: $10.0 million upon execution of the 2018 Loan Agreement in March 2018 ("Tranche I"), and $5.0 million in September 2018 ("Tranche II").

Borrowings under the 2018 Loan Agreement bear interest at a rate per year equal to the greater of 6.25% and 2.00% plus the Wall Street Journal prime rate; provided, however, that in the event the Company achieves certain milestones the interest rate applicable to the borrowings would be the greater of 6.25% and 1.50% plus the Wall Street Journal prime rate. In an event of default, as defined in the 2018 Loan Agreement, the interest rate applicable to borrowings would be increased by 5.0%.

The Company is required to make monthly payments of interest only, beginning on April 1, 2018 and continuing through March 30, 2019 (the "Interest Only End Date"), at which time the Company would begin making payments on the principal from April 1, 2019 through the Maturity Date. However, upon the achievement of certain milestones, the Interest Only End Date would be extended through September 30, 2019 or March 30, 2020, and the Maturity Date would be extended to September 1, 2022. The 2018 Loan Agreement allows for prepayment in full of the outstanding principal at any time, subject to a prepayment charge that is dependent on the prepayment date.

Per the 2018 Loan Agreement, upon a Liquidity Event, defined below, the Company would pay a success fee of $0.8 million, or $1.1 million if both Tranche I and Tranche II were issued ("Success Fee"). A Liquidity Event is defined as (a) any sale, license, or other disposition of all or substantially all of the assets of the Company, (b) any reorganization, consolidation, merger or sale of the voting securities of the Company or any other transaction where the holders of a company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction, or (c) an initial public offering of a company's equity securities.

Borrowings under the 2018 Loan Agreement are collateralized by substantially all of the Company's personal property, excluding intellectual property. Under the 2018 Loan Agreement, the Company agreed to affirmative and negative covenants to which it remains subject until maturity or repayment in full. The negative covenants include restrictions on the Company's ability to incur additional indebtedness, pay dividends, encumber its property, or engage in certain fundamental business transactions, such as mergers or acquisitions of other businesses. The obligations under the 2018 Loan Agreement are subject to acceleration upon occurrence of specified events of default, including payment default, insolvency and a material adverse change in the Company's business, operations or financial or other condition.

On September 26, 2018, the Company entered into the First Amendment to the 2018 Loan Agreement (the "First Amendment") which amended the primary depository covenant by waiving violations on maintaining excess cash and decreasing the primary depository covenant. The First Amendment also amended the Success Fee due upon the occurrence of a Liquidity Event from $0.8 million, with a contingent $0.3 million upon the advance of the Tranche II, to the full $1.1 million upon the occurrence of a Liquidity Event.

In March 2019, the Company entered into the Second Amendment to the 2018 Loan Agreement (the "Second Amendment"), which extended the second milestone date from March 31, 2019 to April 30, 2019. The first milestone was achieved in February 2018 which extended the interest only period through September 30, 2019.

In October 2019, the Company entered into the Third Amendment to the 2018 Loan Agreement (the "Third Amendment"), which extended the Interest Only End Date to March 31, 2020. The amendment also added an additional covenant requiring the Company to maintain a minimum cash balance of $6.0 million at PWB commencing April 2, 2020 if additional finance proceeds of $40.0 million are not raised prior to April 2, 2020.

Each of the three amendments to the 2018 Loan Agreement were analyzed and determined to be debt modifications not extinguishments.

The aggregate principal amount of debt outstanding consisted of the following:

	December 31, 2019	March 31, 2020
Current liabilities:		
Term loan under the 2018 Loan Agreement	$ 5,625	$ 7,500
Unamortized debt discount	(49)	(53)
Loan payable, net of discount	5,576	7,447
Non-current liabilities:		
Term loan under 2018 Loan Agreement	9,375	7,500
Unamortized debt discount	(82)	(53)
Loan payable, net of discount and current portion	9,293	7,447
Total loan payable, net of discount	$ 14,869	$ 14,894

The Company recognized interest expense under the 2018 Loan Agreement, as amended, of $0.3 million and $0.3 million during the three months ended March 31, 2019 and 2020, respectively, including interest expense related to the amortization of the debt discount which was immaterial. As of December 31, 2019 and March 31, 2020, the unamortized debt discount was $0.1 million and $0.1 million, respectively.

As of March 31, 2020, the aggregate minimum future principal payments due in connection with the 2018 Loan Agreement, as amended, are as follows:

Year Ending December 31,	
2020	$ 5,625
2021	7,500
2022	1,875
	$ 15,000

8. Preferred Units

The holders of preferred units have liquidation rights in the event of a deemed liquidation that, in certain situations, are not solely within the control of the Company. Therefore, the preferred units are classified outside of members' deficit on the condensed consolidated balance sheets.

As of December 31, 2019 and March 31, 2020, the preferred units consisted of the following:

Preferred Units	**Preferred Units Issued and Outstanding**	**Liquidation Preference**
Series A-1	64,704,832	$ 15,978
Series A-2	36,782,734	15,000
Series A-3	23,467,151	15,000
Series A-4	15,253,415	15,000
Series A4B	22,216,583	21,848
Series A-5	44,739,689	49,214
	207,164,404	$ 132,040

The rights, preferences, and privileges of the preferred units are as follows:

Voting Rights

The preferred unitholders are entitled to the number of votes equal to the number of Class A common units into which each preferred unit is convertible. Any action to be taken by the unit holders requires the affirmative vote of a majority of unitholders, unless a different vote is required, including without limitation, actions requiring consent of the requisite preferred holders.

Conversion

Each preferred unit is convertible, at the option of the holder, at any time, and without the payment of additional consideration, into Class A common units as is determined by dividing the original purchase price by the conversion price with respect to such preferred unit in effect at the time of conversion. The Series A-1 conversion price is $0.2885 per unit, the Series A-2 conversion price is $0.4078 per unit, the Series A-3 conversion price is $0.6392, the Series A-4 and Series A4B conversion price is $0.9834 and the Series A-5 conversion price is $1.10.

Distribution

In the event of a liquidation, dissolution, or winding up of the Company, or in the event the Company merges with or is acquired by another entity, the holders of the preferred units are entitled to be paid an amount equal to $0.2885 per unit of Series A-1, $0.4078 per unit of Series A-2, $0.6392 per unit of Series A-3, $0.9834 per unit of Series A-4 and Series A4B, and $1.10 per unit of Series A-5. Once the preceding liquidation preference has been paid, any remaining assets would be distributed pro rata among the holders of the preferred units and common units.

Preferred units shall be automatically deemed and treated as if they were converted into common units solely for purposes of determining the distributions made pursuant to the order of priority above, if the common unit distribution amount equals or exceeds (A) the original issue price then applicable to such series of preferred units plus (B) the per unit amount of any unpaid tax distributions, divided by (C) the number of common units then issuable upon conversion hereunder of one (1) unit of such series of preferred units.

Liquidation

In the event of any liquidation or deemed liquidation, dissolution or winding-up of the Company, the assets of the Company would be distributed in accordance with the same order of priority as distributions.

9. Common Units, Warrants and Stock Incentive Plans

Upon formation of the Company, a capital account was established for each member. The capital account of each member is adjusted for the cash and property contributed by or distributed to each member, the amount of net profits or loss allocated to the member, and other adjustments. Net profit or loss is allocated to the members in proportion to their respective member interests in the Company.

In connection with prior financing transactions the Company issued warrants to purchase common units. A summary of the outstanding warrants at both December 31, 2019 and March 31, 2020 is as follows:

Date Granted	Number		Exercise Price	Expiration Date
6/17/2015	5,267,959	$	2.8474	7/17/2022
12/7/2015	5,267,959	$	2.8474	7/17/2022
9/7/2016	5,268,035	$	2.8474	7/17/2022
7/11/2017	5,268,034	$	2.8474	7/17/2022

The Company established two classes of its common units, Class A and Class C common units, each of which entitled its holder to one vote per unit. Due to employee terminations and resignations, 10,588,658 and 3,481,208 Class A common units were forfeited during the year ended December 31, 2019 and three months ended March 31, 2020, respectively. The Company’s outstanding common units have been issued from the incentive pool and the founders’ pool.

The Class C common units issued to Series A-3 and Series A-4 holders, as well as the Class A common units issued or issuable under the incentive pool include incentive units (as defined in the restated operating agreement) are intended to constitute “profits interests” for tax purposes. Profits interest units are recorded as issued and outstanding common units when granted. Standard vesting for profits interests provide for 25% of units to vest after one year with the remaining vesting monthly thereafter over 36 months. As approved by the Board, some grants may have different vesting provisions. Class C common units were vested in full upon grant.

Unvested profits interest unit's activity for the year ended December 31, 2019 and the three months ended March 31, 2020, is as follows:

	Number of Nonvested Class A and Class B Profits Interests	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2018	19,932,277	0.19
Granted	19,643,100	0.16
Vested	(7,044,620)	0.14
Forfeited	(10,588,658)	0.21
Outstanding at December 31, 2019	21,942,099	0.18
Granted	-	0.00
Vested	(994,828)	0.17
Forfeited	(3,481,208)	0.16
Outstanding at March 31, 2020	17,466,063	0.18

In connection with the issuance of any profits interest, the Board will determine and set a threshold dollar amount with respect to the units, or 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 an option pricing model to value profits interests. The assumptions used to value profits interests granted during the year ended December 31, 2019:

Expected term (in years)	6.0
Risk-free rate	1.74%
Expected volatility	72.75%
Expected dividend yield	0%

The weighted-average grant-date fair value for profits interests granted during the year ended December 31, 2019 was $0.16. No profits interests were granted during the three months ended March 31, 2020. Compensation expense from profits interests for the three months ended March 31, 2019 and 2020, was $0.3 million and $0.2 million, respectively. As of March 31, 2020, remaining unrecognized compensation cost related to nonvested profits interests to be recognized in future periods totaled $2.8 million, which is expected to be recognized over a weighted-average period of 2.08 years.

10. License, Research and Collaboration Agreements

Collaboration Agreements

Adimab Agreement

The Company entered into a collaboration agreement with Adimab, LLC on October 16, 2014. As of March 31, 2020, future milestone payments in connection with this agreement amounted to $2.0 million. The agreement also includes provisions for payment of royalties at rates ranging in the single digits as a percentage of future net sales within a specified term from the first commercial sale. The Company recorded research and development expense of $0.5 million and $0.0 in connection with this agreement during three months ended March 31, 2019 and 2020, respectively.

Other License and Research Agreements

During 2019 and the three months ended March 31, 2020, the Company entered into several license agreements with various academic and healthcare institutions to in-license certain intellectual property rights and know-how relevant to its programs. As part of the consideration related to these license agreements, the Company made cash payments of $0.8 million during the year ended December 31, 2019 and $0.1 million during the three months ended March 31, 2020. The Company recorded $0.1 million and $0.1 million to research and development expense during the three months ended March 31, 2019 and 2020, respectively. In addition, the Company also committed to make certain clinical and regulatory milestone payments in the aggregate of $0.5 million associated with the in-licensed technology.

11. Commitments and Contingencies

Operating Leases

The Company leases laboratory and office space in Cambridge, MA. The Company also leases a vivarium and storage space in Cambridge, MA. All leases expire January 31, 2021. The future minimum rental payments under the leases as of March 31, 2020 are as follows:

Year Ending December 31,	Amount
2020	$ 1,443
2021	160
	$ 1,603

The Company's lease agreements include payment escalations and lease incentives which are accrued or deferred as appropriate such that rent expense is recognized on a straight-line basis over the respective lease terms. Leasehold improvement reimbursements from the landlord are recorded as deferred rent and amortized as reductions to lease expense over the lease term. Adjustments for payment escalations are also recorded as deferred rent and amortized over the lease terms.

Rental expense is recorded as an operating expense within both research and development and general and administrative expenses. Rental expense was $0.5 million and $0.4 million for the three months ended March 31, 2019 and 2020, respectively.

12. Related Parties and Related-Party Transactions

On October 16, 2014, the Company entered into a collaboration agreement with Adimab, LLC. The Company's co-founder has a direct ownership interest in Adimab, LLC. The Company recorded research and development expense of $0.5 million and $0.0 in connection with this agreement during three months ended March 31, 2019 and 2020, respectively.

On September 18, 2017, the Company entered into a software license and services agreement with StackWave, LLC. An employee of the Company is the co-founder and has a direct ownership interest in StackWave, LLC. The Company recorded capitalized software of $0.1 million and $0.3 million for the three months ended March 31, 2019 and 2020, respectively.

13. Subsequent Events

For its condensed consolidated financial statements as of March 31, 2020 and for the three months then ended, the Company evaluated subsequent events through June 23, 2020, the date on which those financial statements were issued, and the following subsequent events were noted.

Reverse Merger

On June 18, 2020, Olivia Ventures, Inc., Acquisition Sub, Compass Therapeutics, Blockers, Blockers Merger Subs and Blocker Holders entered into the Merger Agreement, pursuant to which Acquisition Sub merged with and into Compass Therapeutics, with Compass Therapeutics continuing as the surviving entity and our wholly-owned subsidiary, and each Blocker Merger Sub merged with and into the applicable Blocker, with each Blocker continuing as the surviving entity and our wholly-owned subsidiary. As a result of the Merger, we acquired the business of Compass Therapeutics.

At the Effective Time, an aggregate of 31,627,139 shares of our common stock were issued to holders of common and preferred membership units of Compass Therapeutics and to the holders of equity interests of the Blockers, after adjustments due to rounding for fractional shares. With respect to 15 holders of an aggregate of 131,472 Compass Therapeutics common membership units who were not accredited investors, we paid an aggregate of approximately $68 thousand in cash in consideration for cancelling such membership units in connection with the Merger. In addition, 2,930,836 shares of our common stock were reserved for issuance under our 2020 Stock Option and Incentive Plan. Immediately prior to the Effective Time, an aggregate of 4,000,000 of the 5,000,000 shares of our common stock held by pre-Merger stockholders of Olivia Ventures, Inc. were forfeited and surrendered for cancellation.

The Merger and the Blocker Mergers were treated as a recapitalization and reverse acquisition by us for financial reporting purposes. Compass Therapeutics is considered the acquirer for accounting purposes, and our historical financial statements before the Merger will be replaced with the historical financial statements of Compass Therapeutics before the Merger in future filings with the SEC. The Merger is intended to be treated as a tax-free reorganization under Section 368(a) of the Code.

Private Placement Offering

On June 19, 2020, we sold 12,096,442 shares of our common stock pursuant to the initial closing of a private placement offering for up to 14,000,000 shares of our common stock, at a purchase price of $5.00 per share for approximately $54 million in net proceeds. The Offering closed on June 19, 2020. We may hold one or more subsequent closings at any time prior to July 19, 2020, unless otherwise extended, to sell any remaining shares in the Offering. We may also sell up to an additional 2,000,000 shares of our common stock at the Offering Price to cover over-subscriptions in the event the Offering is oversubscribed.

Exhibit 99.3

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

We were incorporated as Olivia Ventures, Inc., or Olivia, in the State of Delaware on March 20, 2018. Prior to the Merger (as defined below), we were a "shell company" (as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended, or the Exchange Act). As a result of the Merger, we have ceased to be a "shell company".

On June 17, 2020, our wholly-owned subsidiary, Compass Acquisition LLC, a Delaware limited liability company, or the Acquisition Sub, merged with and into Compass Therapeutics LLC, a privately held Delaware limited liability company, or Compass Therapeutics, in a transaction which we refer to as the Merger. Additionally, certain of our wholly-owned subsidiaries, each, a Blocker Merger Sub, merged with and into the applicable blocker entity, or the Blockers, in transactions which we refer to as the Blocker Mergers.

Upon completion of the Merger and the Blocker Mergers:

- Compass Therapeutics was the surviving entity in the Merger and became our wholly-owned subsidiary;
- each Blocker was the surviving entity in the applicable Blocker Merger and became our wholly-subsidiary;
- all of the preferred membership interests of Compass Therapeutics held by accredited investors were converted into common membership interests, except for the preferred membership interests held by the Blockers, which were cancelled without consideration;
- all of the common membership interests of Compass Therapeutics (including common membership interests issued upon the conversion of preferred membership interests) were converted into 31,627,139 shares of our common stock;
- all of the outstanding equity interests of the Blockers were converted into 7,428,217 shares of our common stock; and
- with respect to 15 holders of an aggregate of 131,472 common membership interests of Compass Therapeutics who were not accredited investors, we paid an aggregate of approximately $68 thousand in cash in consideration for cancelling such membership interests.

On June 17, 2020, our board of directors and all of our pre-Merger stockholders approved our amended and restated certificate of incorporation, which was effective upon its filing with the Secretary of State of the State of Delaware after completion of the Merger on June 17, 2020, pursuant to which, among other things, we changed our name to "Compass Therapeutics, Inc." On June 17, 2020, our board of directors also adopted our amended and restated bylaws.

As a result of the Merger, we acquired the business of Compass Therapeutics and we will continue the existing business operations of Compass Therapeutics as a public reporting company under the name Compass Therapeutics, Inc.

On June 19, 2020, we sold 12,096,442 shares of our common stock pursuant to the initial closing of a private placement offering, or the Offering, for up to 14,000,000 shares of our common stock (plus up to an additional 2,000,000 shares of our common stock to cover over-subscriptions, if any) at a purchase price of $5.00 per share. We may hold one or more subsequent closings at any time prior to July 19, 2020, unless otherwise extended, to sell any remaining shares in the Offering.

The Merger is being accounted for as a reverse-merger and recapitalization. Compass Therapeutics is the acquirer for financial reporting purposes, and Olivia is the acquired company under the acquisition method of accounting in accordance with FASB ASC Topic 805, *Business Combinations*. Consequently, the assets, liabilities and operations that will be reflected in the historical financial statements prior to the Merger will be those of Compass Therapeutics and will be recorded at the historical cost basis of Compass Therapeutics, and the consolidated financial statements after completion of the Merger will include the assets, liabilities and results of operations of Compass Therapeutics up to the day prior to the closing of the Merger and the assets, liabilities and results of operations of the combined company from and after the closing date of the Merger. The unaudited pro forma combined financial information is based on individual historical financial statements of Compass Therapeutics and Olivia prepared under U.S. GAAP and is adjusted to give effect to the Merger Agreement.

Certain fees associated with the acquisition that were incurred by Compass Therapeutics and Olivia, such as fees for legal and financial services, are not reflected in these unaudited pro forma combined financial statements. The unaudited pro forma combined statements of operations eliminate any non-recurring charges directly related to the Merger that the combined entities incur upon completion of the Merger.

The unaudited pro forma combined balance sheets as of March 31, 2020 for Olivia and for Compass Therapeutics gives effect to the Merger as if it had been consummated on March 31, 2020 and includes adjustments that give effect to events that are directly attributable to the transaction and that are factually supportable. The unaudited pro forma combined statements of operations for the year ended March 31, 2020 gives effect to the Merger as if it had been consummated on April 1, 2019 and include adjustments that give effect to events that are directly attributable to the transaction, are expected to have a continuing impact, and that are factually supportable. The notes to the unaudited pro forma combined financial information describe the pro forma amounts and adjustments presented below

Compass Therapeutics and Olivia have different fiscal years. The unaudited pro forma condensed combined balance sheet and statements of operations have been prepared utilizing period ends that differ by less than 93 days, as permitted by Regulation S-X. The pro forma statement of operations information included in the pro forma financial statements is based on the following:

- With respect to Compass Therapeutics, the audited consolidated financial statements of Compass Therapeutics contained in Exhibit 99.1 for the year ended December 31, 2019; and

- With respect to Olivia, the audited financial statement of Olivia contained in Exhibit 99.2 for the year ended March 31, 2020.

The pro forma balance sheet information is based on the following:

- With respect to Compass Therapeutics, the unaudited consolidated balance sheet as of March 31, 2020; and

- With respect to Olivia, the audited balance sheet as of March 31, 2020.

The unaudited pro forma combined financial information does not purport to represent what the combined company's results of operations or financial position would actually have been had the Merger occurred on the dates described above or to project the combined company's results of operations or financial position for any future date or period.

The unaudited pro forma combined financial information should be read together with (1) Compass Therapeutics' audited consolidated balance sheet as of December 31, 2019 and the related consolidated statements of operations, statements of preferred units and members' deficit, and statements of cash flows for the years ended December 31, 2019 and 2018 and the accompanying notes and the unaudited interim consolidated balance sheet as of March 31, 2020 and (2) Olivia's audited balance sheet as of March 31, 2020 and the related statements of operations and statements of cash flows for the year ended March 31, 2020.

Compass Therapeutics LLC and Olivia Ventures, Inc.
Unaudited Pro Forma Combined Balance Sheets
As of March 31, 2020
(in thousands)

	Compass Therapeutics LLC (unaudited)	Olivia Ventures, Inc.	Pro forma Adjustments (unaudited)	Private Placement, net (unaudited)	Combined Pro Forma (unaudited)
Assets					
Current assets:					
Cash and cash equivalents	$ 17,530	$ 4	$ (1,212)(a)	$ 54,020(e)	$ 70,342
			(68)(g)		(68)
Prepaid expenses and other current assets	959	-	-	-	959
Total current assets	18,489	4	(1,280)	54,020	71,233
Property and equipment, net	3,315	-	-	-	3,315
Restricted cash	263	-	-	-	263
Other assets	213	-	-	(129)(e)	84
Total assets	$ 22,280	$ 4	$ (1,280)	$ 53,891	$ 74,895
Liabilities, Convertible Preferred Units and Equity (Deficit)					
Current liabilities:					
Current portion of long-term debt	$ 7,447	$ -	$ -	$ -	$ 7,447
Accounts payable	343	-	-	-	343
Accrued expenses	1,117	9	(9)(a)	(64)(e)	1,053
Note payable - stockholder	-	103	(103)(a)	-	-
Derivative liability related to loan	814	-	(814)(a)	-	-
Total current liabilities	9,721	112	(926)	(64)	8,843
Long-term debt, including accretion, net of current portion	7,447	-	-	-	7,447
Total liabilities	17,168	112	(926)	(64)	16,290
Convertible preferred units	129,870	-	(129,870)(b)	-	-
Equity (Deficit):					
Common units	3,552	-	(3,552)(c)	-	-
Common stock	-	1	(1)(d)	1	1
			3(b)		3
			1(c)		1
					-
Additional paid-in capital	-	-	129,867(b)	54,154(e)	184,021
			3,551(c)		3,551
			1(c)		1
			(109)(e)		(109)
			(68)(g)		(68)
Accumulated deficit	(128,310)	(109)	109(f)	(200)(e)	(128,510)
			(286)(a)		(286)
Total equity (deficit)	(124,758)	(108)	129,516	53,955	58,605
Total liabilities, convertible preferred units and equity (deficit)	$ 22,280	$ 4	$ (1,280)	$ 53,891	$ 74,895

Compass Therapeutics LLC and Olivia Ventures, Inc.
Unaudited Pro Forma Combined Statements of Operations
Twelve Months Ended March 31, 2020
(in thousands except share and per share information)

	Compass Therapeutics LLC	Olivia Ventures, Inc.	Pro forma Adjustments (unaudited)	Combined Pro Forma (unaudited)
Operating expenses:				
Research and development	$ 22,449	$ -	$ -	$ 22,449
General and administrative	11,603	32	-	11,635
Total operating expenses	34,052	32	-	34,084
Loss from operations	(34,052)	(32)	-	(34,084)
Other Income (expense):				
Interest income	743	-	-	743
Interest expense	(1,228)	(5)	5(h)	(1,228)
Change in fair value of derivative liability	(104)	-	104(i)	-
Realized foreign exchange loss	(12)	-	-	(12)
Loss before income tax expense	(34,653)	(37)	109	(34,581)
Income tax expense	(91)	-	-	(91)
Net loss	$ (34,744)	$ (37)	$ 109	$ (34,672)
Net loss per common share, basic and diluted		$ (0.01)		$ (0.69)
Weighted-average common shares outstanding, basic and diluted		5,000,000		50,235,216

Compass Therapeutics LLC and Olivia Ventures, Inc.
Unaudited Pro Forma Combined Statements of Operations
Twelve Months Ended March 31, 2019
(in thousands except share and per share information)

Merger Pro Forma Adjustments

(a) To record the $0.1 million repayment of the Note Payable and related accrued interest to the stockholder of Olivia and the $1.1 million success fee payment to the lender under the Compass Therapeutics' 2018 credit facility with Pacific Western Bank, Inc, or the 2018 Credit Facility. These payments are due upon consummation of the Merger.

(b) To record the conversion of the convertible preferred units of Compass Therapeutics into common stock followed by the exchange of such shares for shares of common stock of the new merged entity, Compass Therapeutics, Inc., with a par value of $0.0001 per share.

(c) To record the conversion of the common units of Compass Therapeutics into common stock followed by the exchange of such shares for shares of common stock of the new merged entity, Compass Therapeutics, Inc. with a par value of $0.0001 per share.

(d) To record the cancellation of shares of common stock of Olivia outstanding immediately prior to the Merger.

(e) In June 2020, the Company completed the initial closing of the Offering and issued 12,096,442 shares of common stock, with a par value of $0.0001 per share, at an offering price of $5.00 per share. The proceeds, net of placement agent and other offering expenses estimated at $6.3 million, are $54.0 million.

(f) To eliminate the historical accumulated deficit of Olivia upon consummation of the Merger.

(g) To record cash payment to unaccredited investors in lieu of common units of Compass Therapeutics,.

(h) The unaudited pro forma combined statement of operations reflect an adjustment for the reduction in interest expense to reflect the repayment of the stockholder note payable of Olivia as if the repayment occurred on April 1, 2019.

(i) The unaudited pro forma combined statements of operations reflect an elimination to the change in fair value of the derivative liability to reflect the success fee payment upon completion of the Merger as required under the 2018 Credit Facility and as if the success fee payment occurred on April 1, 2019.

Exhibit 99.4

Compass Therapeutics Completes Reverse Merger and Closes $60 Million Private Placement

CAMBRIDGE, Mass., June 23rd, 2020 — Compass Therapeutics, a clinical-stage biotechnology company developing proprietary antibody therapeutics intended to engage the immune system to treat both solid tumors and hematological malignancies, today announced the closing of a $60 million private placement financing and the completion of a reverse merger transaction with Olivia Ventures, Inc. Following the reverse merger, Olivia Ventures changed its name to Compass Therapeutics, Inc. (the "Company"), and will continue the historic and innovative business of Compass Therapeutics.

"This transaction provides the resources necessary to advance our lead program, CTX-471,through clinical development, advance our second program, CTX-8371, to the clinic and continue to develop our pipeline of next-generation monoclonal and multispecific antibody therapeutics," said Thomas Schuetz, M.D., Ph.D., co-founder and chief executive officer at Compass Therapeutics. "CTX-471 is currently being evaluated in a Phase 1 clinical trial in patients with solid tumors that have progressed after at least three months on an approved PD-1 or PD-L1 inhibitor -- an area of important unmet need."

The Company announced that current investors, including OrbiMed, F-Prime Capital, Borealis Ventures, Cowen Healthcare Investments, Peter Thiel, Biomatics Capital, Ulysses Diversified Holdings, and Biomed Realty Ventures, have invested alongside new investors led by Consonance Capital, Limulus, and others.

Previous members of Compass's board of directors Phil Ferneau, MBA, J.D., Borealis Ventures; Carl L. Gordon, Ph.D., CFA, OrbiMed; Thomas J. Schuetz, MD, Ph.D., Compass Therapeutics; Stephen Squinto, Ph.D., OrbiMed, and Julie Sunderland, Biomatics Capital Partners will continue as directors of the Company. Stephen Knight, M.D., of F-Prime Capital and Timothy Anderson of Cowen Healthcare Investments have stepped down from the Compass Board of Directors.

The offering was exempt from registration under Section 4(a)(2) of the United States Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated by the U.S. Securities and Exchange Commission ("SEC") thereunder. The Common Stock in the offering was sold to "accredited investors," as defined in Regulation D, and was conducted on a "reasonable best efforts" basis.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

Raymond James was the lead placement agent for the offering; B. Riley FBR acted as co-senior placement agent and Katalyst Securities LLC acted as a placement agent.

About Compass Therapeutics

Compass Therapeutics is a clinical-stage biotechnology company targeting the human immune synapse with a new generation of monoclonal and multispecific antibody therapeutics. Compass is leveraging its proprietary StitchMabs^{TM} and common light-chain based multispecific platforms to empirically identify multispecifics and combinations of antibody therapeutics that synergistically modulate key nodes in the immune system. The Company's lead product candidate, CTX-471, is a fully human agonistic antibody of CD137. CTX-471 is in a Phase 1 study in patients with inadequate responses to PD-1/PD-L1 checkpoint inhibitors. Compass is also progressing several preclinical assets including a novel class of NK cell engaging bispecifics targeting NKp30 and multiple bispecific checkpoint programs. The Company's offices and labs are based in Kendall Square in Cambridge, Mass.

Forward Looking Statements

This press release contains forward-looking statements. Statements in this press release that are not purely historical are forward-looking statements. Such forward-looking statements include, among other things, references to our product candidates and the development and therapeutic potential thereof, our technologies for identifying additional product candidates, the intended use of proceeds from the private placement transaction, and our business and development plans. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, our ability to raise the additional funding we will need to continue to pursue our business and product development plans, the inherent uncertainties associated with developing product candidates and operating as a development stage company, our ability to identify additional product candidates for development, our ability to develop, complete clinical trials for, obtain approvals for and commercialize any of our product candidates, and competition in the industry in which we operate and market conditions. These forward-looking statements are made as of the date of this press release, and Compass assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law. Investors should consult all of the information set forth herein and should also refer to the risk factor disclosure set forth in the reports and other documents we file with the SEC available at www.sec.gov, including without limitation our Current Report on Form 8-K filed on June 23, 2020.

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