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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q/A  
Amendment No. 1**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2018

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-38311

**Denali Therapeutics Inc.**

(Exact name of registrant as specified in its charter)

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

**46-3872213**  
(I.R.S. Employer  
Identification No.)

**151 Oyster Point Blvd., 2<sup>nd</sup> Floor**  
**South San Francisco, CA, 94080**

(Address of principal executive offices and zip code)

**(650) 866-8548**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of outstanding shares of the registrant's common stock as of August 2, 2018 was 94,807,111.

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## EXPLANATORY NOTE

Denali Therapeutics Inc. (the "Company") is filing this Amendment No. 1 on Form 10-Q/A (the "Amendment") to its Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 (the "Form 10-Q"), which was originally filed with the Securities and Exchange Commission on August 9, 2018. The purpose of this Amendment is solely to refile Exhibits 10.2 and 10.4, which were originally filed with the Form 10-Q, with revised redactions in response to comments received from the staff of the Securities and Exchange Commission regarding the confidential treatment requests filed by the Company with respect to certain portions of Exhibits 10.2 and 10.4.

This Amendment speaks as of the original filing date and does not reflect events occurring after the filing of the Form 10-Q or modify or update disclosures that may be affected by subsequent events. No revisions are being made to the Company's financial statements or any other disclosure contained in the Form 10-Q.

This Amendment is an exhibit-only filing. Except for the changes to Exhibits 10.2 and 10.4, this Amendment does not otherwise update any exhibits as originally filed or previously amended.

In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), new certifications by the Company's principal executive officer and principal financial officer are filed herewith as exhibits to this Amendment pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act. The Company is not including certifications pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as no financial statements are being filed with this Amendment.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Number	Filing Date
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the Registrant.</a>	8-K	001-38311	3.1	12/12/2017
3.2	<a href="#">Amended and Restated Bylaws of the Registrant.</a>	8-K	001-38311	3.2	12/12/2017
10.1	<a href="#">First Amendment to Lease between the Registrant and HCP Oyster Point III LLC, dated May 2, 2018.</a>	10-Q	001-38311	10.1	8/9/2018
10.2#	<a href="#">Amended and Restated Licence Agreement between F-star Gamma Limited and F-star Biotechnology Limited, dated August 24, 2016.</a>				
10.3#	<a href="#">Side Letter between the Registrant, F-Star Gamma Limited, F-Star Biotechnology Limited and f-star Biotechnologische Forschungs-und Entwicklungsges m.b.H., dated May 21, 2018.</a>	10-Q	001-38311	10.3	8/9/2018
10.4#	<a href="#">Share Purchase Agreement between the Registrant, certain shareholders of F-star Gamma Limited and Shareholder Representative Services LLC, dated May 30, 2018.</a>				
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</a>	10-Q	001-38311	31.1	8/9/2018
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</a>	10-Q	001-38311	31.2	8/9/2018
31.3	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</a>				
31.4	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</a>				
32.1*	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act.</a>	10-Q	001-38311	31.1	8/9/2018
32.2*	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.</a>	10-Q	001-38311	31.2	8/9/2018
101.INS	XBRL Instance Document.				
101.SCH	XBRL Taxonomy Extension Schema Document.				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.				

\* Previously furnished with the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 9, 2018. The information in this exhibit is deemed furnished and not filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the hereof, irrespective of any general incorporation language contained in such filing.

# Portions of this exhibit have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the SEC.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**DENALI THERAPEUTICS INC.**

Date: December 6, 2018

By: /s/ Ryan J. Watts  
Ryan J. Watts, Ph.D.  
President and Chief Executive Officer  
*(Principal Executive Officer)*

Date: December 6, 2018

By: /s/ Steve E. Krognnes  
Steve E. Krognnes  
Chief Financial Officer and Treasurer  
*(Principal Financial and Accounting Officer)*

**SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT FOR THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [\*\*\*]**

**AMENDED AND RESTATED GAMMA IP LICENCE AGREEMENT**

**among**

**F-STAR BIOTECHNOLOGY LIMITED,**

**and**

**F-STAR GAMMA LIMITED,**

**Dated as of 24 August 2016**

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**THIS AMENDED AND RESTATED LICENSE AGREEMENT** is made and entered into effective as of 24 August 2016 (the “**Effective Date**”) by and between

- (1) **F-STAR BIOTECHNOLOGY LIMITED**, a limited liability company incorporated under the laws of England and Wales (“**F-star**”),
- (2) **F-STAR GAMMA LIMITED**, a limited liability company incorporated under the laws of England and Wales (“**Gamma**”)

F-star and Gamma are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

## **BACKGROUND**

- (A) F-star Controls (as defined herein) certain intellectual property rights with respect to Fcabs (as defined herein), mAb<sup>2</sup> (as defined herein) and Licensed Products (as defined herein) in the Territory (as defined herein).
- (B) Gamma has been incorporated to develop Fcabs with respect to blood-brain barrier transcytosis.
- (C) On 30 June 2016 F-star and Gamma entered into a licence agreement pursuant to which F-star granted to Gamma, and Gamma agreed to take a license under such intellectual property rights to develop and commercialize Licensed Products in the Territory (the “**Existing License Agreement**”).
- (D) The Parties wish to amend and restate the terms of the Existing License Agreement as set out in this Agreement.
- (E) Under separate agreements dated the same date as this Agreement, Gamma has granted to Denali Therapeutics Inc. (“**Denali**”) a research and development license and an option to take a licence under a License and Collaboration Agreement (the “**Denali License Agreement**”) and the shareholders of Gamma have granted an option to purchase the entire share capital of Gamma under a Buy-out Option Agreement (as defined herein) pursuant to the terms of the SPA (as defined herein).

**NOW, THEREFORE**, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

**ARTICLE I**  
**DEFINITIONS**

As used in this Agreement and the Schedules to this Agreement the following capitalized terms, whether used in the singular or plural, shall have the meanings set out below:

- 1.1** “**Accepted Fcab Target**” means an Fcab Target that has become an Accepted Fcab Target as provided for in Section 3.1.
- 1.2** “**Accounting Standards**” means, with respect to (a) F-star that records and books of accounts shall be maintained in accordance with International Financial Reporting Standards (“**IRFS**”), and (b) Gamma or its Affiliates or Sublicensees, that records and books of accounts shall be maintained in accordance with United States Generally Accepted Accounting Principles or IFRS.
- 1.3** “**Affiliate**” means, with respect to a Party, any Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, “control” and, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with” means (a) the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise; or (b) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a Person (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity). The Parties acknowledge that in the case of certain entities organized under the laws of certain countries outside of the United States, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such case such lower percentage shall be substituted in the preceding sentence, provided that such foreign investor has the power to direct the management or policies of such entity. Notwithstanding the foregoing: (i) none of [\*\*\*] shall be deemed an “Affiliate” of F-star or of each other, other than [\*\*\*], which are Affiliates solely of each other; and (ii) no company with substantially the same shareholders as [\*\*\*] shall be an Affiliate of any of any of [\*\*\*].

CONFIDENTIAL

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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- 1.4** “**Agreement**” means this agreement and all schedules, appendices and other addenda attached hereto as any of the foregoing may be amended in accordance with the provisions of this Agreement.
- 1.5** “**Antibody**” means an immunoglobulin (Ig) molecule or fragment thereof that binds to an antigen and shall include mono specific and multispecific immunoglobulin molecules or a nucleic acid-containing molecule that encodes such an immunoglobulin molecule or fragment thereof including any of the foregoing as conjugates bound to a toxin, label or other moiety. In the case of an Incorporated Biologic, “Antibody” will mean the Ig molecule or fragment thereof together with the attached Incorporated Biologic.
- 1.6** “**Applicable Law**” means federal, state, local, national and supra-national laws, statutes, rules, and regulations, including any rules, regulations, guidelines, or other requirements of the Regulatory Authorities, major national securities exchanges or major securities listing organizations, that may be in effect from time to time during the Term and applicable to a particular activity or country or other jurisdiction hereunder.
- 1.7** “**Audit Arbitrator**” has the meaning set forth in Section 7.15.
- 1.8** “**Bankruptcy Code**” has the meaning set forth in Section 12.6.1.
- 1.9** “**BLA**” has the meaning set forth in the definition of “Drug Approval Application” in Section 1.29.
- 1.10** “**Breaching Party**” has the meaning set forth in Section 12.3.
- 1.11** “**Business Day**” means a day other than a Saturday or Sunday on which banking institutions in San Francisco, California or London, England are open for business.
- 1.12** “**Buy-out Option Agreement**” means the agreement made between Denali and the shareholders of Gamma dated on or about the date of this Agreement, a copy of which is included as Schedule 1.12.
- 1.13** “**Buy-out Option Period**” means the period defined in the Denali License Agreement.

- 1.14** “**Buy-out Option**” means the option to buy the entire share capital of Gamma pursuant to the Buy-out Option Agreement.
- 1.15** “**Calendar Quarter**” means each successive period of three (3) calendar months commencing on January 1, April 1, July 1 and October 1, except that the first Calendar Quarter of the Term shall commence on the Effective Date and end on the day immediately prior to the first to occur of January 1, April 1, July 1 or October 1 after the Effective Date, and the last Calendar Quarter shall end on the last day of the Term.
- 1.16** “**Calendar Year**” means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31, except that the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the year in which the Effective Date occurs and the last Calendar Year of the Term shall commence on January 1 of the year in which the Term ends and end on the last day of the Term.
- 1.17** “**Centralized Approval Procedure**” means the procedure through which a MAA filed with the EMA results in a single marketing authorization valid throughout the European Union.
- 1.18** “**Clinical Studies**” means Phase I, Phase II, Phase III, and such other tests and studies in human subjects that are required by Applicable Law, or otherwise conducted or recommended by the Regulatory Authorities, to obtain or maintain Regulatory Approvals for a Licensed Product for one (1) or more indications, including tests or studies that are intended to expand the approved indications for such Licensed Product.
- 1.19** “**Combination Product**” means a Licensed Product containing or consisting of one (1) or more mAb<sup>2</sup> and one (1) or more Other Active Ingredients, whether in the same or different formulations.

- 1.20** “**Commercialization**” means any and all activities directed to the preparation for sale of, offering for sale of, or sale of a molecule or product, including activities related to marketing, promoting, distributing, importing and exporting such molecule or product, and, for purposes of setting forth the rights and obligations of the Parties under this Agreement, shall be deemed to include conducting medical affairs activities and conducting Phase IV Studies, and interacting with Regulatory Authorities regarding any of the foregoing. When used as a verb, “**to Commercialize**” and “**Commercializing**” means to engage in Commercialization, and “**Commercialized**” has a corresponding meaning.
- 1.21** “**Commercially Reasonable Efforts**” means, with respect to the performance of Development, Commercialization, or Manufacturing activities with respect to an Fcab, a mAb<sup>2</sup> or a Licensed Product by a Party, the carrying out of such activities using efforts and resources comparable to the efforts and resources that such Party would typically devote to compounds or products of similar market potential at a similar stage in development or product life.
- 1.22** “**Confidential Information**” means any Information or data provided orally, visually, in writing or other form by or on behalf of one (1) Party (or an Affiliate or representative of such Party) to the other Party (or to an Affiliate or representative of such Party) in connection with this Agreement after the Effective Date, including Information relating to the terms of this Agreement, any Fcab, any mAb<sup>2</sup> or any Licensed Product, any Exploitation of any Fcab or any mAb<sup>2</sup> or any Licensed Product, any Know-How with respect thereto developed by or on behalf of the disclosing Party or its Affiliates (including Gamma Know-How and F-star Know-How, as applicable), or the scientific, regulatory or business affairs or other activities of either Party. Notwithstanding the foregoing, (a) F-star IP will be considered Confidential Information of F-star and (b) Gamma IP will be considered Confidential Information of Gamma.

- 1.23** “**Control**” means, with respect to any item of Information, material, Patent, or other property right, the possession of the right, whether directly or indirectly, and whether by ownership, license, covenant not to sue or otherwise (other than by operation of the license and other grants in ARTICLE 6), to grant a license, sublicense or other right to or under such Information, material, Patent, or other property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party; *provided*, that neither Party shall be deemed to Control any item of Information, material, Patent, or other property right of a Third Party if access under this Agreement requires or triggers a payment obligation, unless the Party being granted a sublicense hereunder to such Information, material, Patent or other property right agrees in writing to pay such payment obligation.
- 1.24** “**Default Notice**” has the meaning set forth in Section 12.3.
- 1.25** “**Denali License Agreement**” has the meaning set out in paragraph (C) of the Background above.
- 1.26** “**Development**” means all activities related to pre-clinical and other non-clinical discovery, research, testing, test method development and stability testing, toxicology, formulation, process development, manufacturing scale-up, qualification and validation, quality assurance/quality control, Clinical Studies, including Manufacturing in support thereof, statistical analysis and report writing, the preparation and submission of Drug Approval Applications, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval. When used as a verb, “**Develop**” means to engage in Development. For purposes of clarity, Development shall include any submissions and activities required in support thereof, required by Applicable Laws or a Regulatory Authority as a condition or in support of obtaining a pricing or reimbursement approval for an approved molecule or product.
- 1.27** “**Dispute**” has the meaning set forth in Section 13.6.

- 1.28** “**Dollars**” or “**\$**” means United States Dollars.
- 1.29** “**Drug Approval Application**” means a Biologics License Application (a “**BLA**”) as defined in the FDCA, or any corresponding foreign application in the Territory, including, with respect to the European Union, a Marketing Authorization Application (a “**MAA**”) filed with the EMA pursuant to the Centralized Approval Procedure or with the applicable Regulatory Authority of a country in Europe with respect to the mutual recognition or any other national approval procedure.
- 1.30** “**Effective Date**” means the effective date of this Agreement as set forth in the preamble hereto.
- 1.31** “**EMA**” means the European Medicines Agency and any successor agency(ies) or authority having substantially the same function.
- 1.32** “**European Union**” or “**E.U.**” means the economic, scientific, and political organization of member states known as the European Union, as its membership may be altered from time to time, and any successor thereto.
- 1.33** “**Exploit**” or “**Exploitation**” means to make, have made, import, export, use, have used, sell, have sold, or offer for sale, including to Develop, Commercialize, register, modify, enhance, improve, Manufacture, have Manufactured, hold, or keep (whether for disposal or otherwise), or otherwise dispose of.

- 1.34** “**Fab**” means the region on an Antibody that (a) binds to an antigen and is either composed of (i) one (1) constant and one (1) variable domain of each of the heavy and the light chain wherein the binding sites are located in the variable domains, or (ii) is another protein or polypeptide that specifically binds to an antigen or substrate, or (b) constitutes [\*\*\*] or, subject to agreement (or resolution) as set out in Section 3.3 of the Denali License Agreement, [\*\*\*] (an “**Incorporated Biologic**”); provided that following completion by Denali of the acquisition of Gamma following the exercise of the Buy-out Option there will no longer be a requirement to obtain such agreement (or resolution).
- 1.35** “**Fcab**” means a constant domain of an Antibody that includes an antigen binding site that confers a specific binding of such constant domain to a defined target antigen.
- 1.36** “**FDA**” means the United States Food and Drug Administration and any successor agency(ies) or authority having substantially the same function.
- 1.37** “**FFDCA**” means the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 *et seq.*, as amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto).
- 1.38** “**Field**” means any use.
- 1.39** “**F-star Alpha**” means F-star Alpha Limited, a limited liability company incorporated under the laws of England and Wales with registered number 08676690.
- 1.40** “**F-star Beta**” means F-star Beta Limited, a limited liability company incorporated under the laws of England and Wales with registered number 09263520.
- 1.41** “**F-star GmbH**” means F-star Biotechnologische Forschungs - Und Entwicklungsges.M.B.H, an Austrian limited liability company incorporated under the laws of the Republic of Austria.
- 1.42** “**F-star IP**” means, collectively, F-star Patents and F-star Know-How.

- 1.43** “**F-star Know-How**” means, to the extent that such Know-How is disclosed to Gamma by F-star, any and all Know-How Controlled by F-star on the Effective Date or during the Term that is necessary or useful for the Exploitation of any Gamma Fcab or mAb<sup>2</sup>.
- 1.44** “**F-star Patents**” means any and all Patents Controlled by F-star on the Effective Date or during the Term that would be infringed by the Exploitation of any Gamma Fcab or mAb<sup>2</sup>, including, but not limited to, the Patents and Patent applications set forth on Schedule 1.44.
- 1.45** “**F-star Indemnitees**” has the meaning set forth in Section 11.1.
- 1.46** “**F-star In-Licenses**” means all agreements (as modified, amended or restated as of the Effective Date), pursuant to which F-star or its Affiliates derive any right, title or interest in or to the F-star IP.
- 1.47** “**Gamma Fcab**” means an Fcab which is directed to an Accepted Fcab Target.
- 1.48** “**Gamma Indemnitees**” has the meaning set forth in Section 11.2.
- 1.49** “**Gamma IP**” means, collectively, Gamma Patents and Gamma Know-How.
- 1.50** “**Gamma Know-How**” means any and all Know-How that is developed or invented after the Effective Date by or on behalf of Gamma or its Affiliates or agents. For the avoidance of doubt, Gamma Know-How does not include any Denali Background Know-How or Denali Program Know-How as defined in the Denali License Agreement.
- 1.51** “**Gamma Patents**” means any and all Patents that claim inventions invented after the Effective Date by or on behalf of Gamma or its Affiliates or agents. For the avoidance of doubt, Gamma Patents does not include any Denali Background Patents or Denali Program Patents as defined in the Denali License Agreement.
- 1.52** “**Gamma Support Services Agreement**” means that certain Support Services Agreement, between F-star and Gamma, dated as of the Effective Date, as may be amended or restated from time to time.

- 1.53** “**Gatekeeper**” means an independent Third Party appointed by F-star promptly following the Effective Date for the purpose of confirming proposed Accepted Fcab Targets on mutually agreeable terms including provisions relating to confidentiality.
- 1.54** “**Incorporated Biologic**” has the meaning set forth in Section 1.34.
- 1.55** “**Indemnification Claim Notice**” has the meaning set forth in Section 11.3.
- 1.56** “**Indemnified Party**” has the meaning set forth in Section 11.3.
- 1.57** “**Indirect Taxes**” has the meaning set forth in Section 7.12.
- 1.58** “**Information**” means all information of a technical, scientific, business and other nature, including Know-How, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatuses, specifications, data, results and other material, regulatory data, and other biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and information, including study designs and protocols, reagents (e.g., plasmids, proteins, cell lines, assays and compounds) and biological methodology; in each case (whether or not confidential, proprietary, patented or patentable, of commercial advantage or not) in written, electronic or any other form now known or hereafter developed.
- 1.59** “**Intellectual Property**” has the meaning set forth in Section 12.6.1.



- 1.60** “**Know-How**” means any and all data, inventions, methods, proprietary information, processes, trade secrets, techniques and technology, whether patentable or not but which are not generally known, including discoveries, formulae, materials (including chemicals), biological materials (including expression constructs, nucleic acid sequences, amino acid sequences, and cell lines), practices, test data (including pharmacological, toxicological, pre-clinical and clinical information and test data), analytical and quality control data (including drug stability data), manufacturing technology and data (including formulation data), and sales forecasts, data and descriptions.
- 1.61** “**Licensed Product**” means, on a mAb<sup>2</sup>-by-mAb<sup>2</sup> basis, any product for use in the Field in the Territory that contains that mAb<sup>2</sup>, alone or in combination with one (1) or more Other Active Ingredients. Licensed Products in any and all forms, in current and future formulations, dosage forms and strengths, and delivery modes, including any improvements thereto shall be deemed to be the same Licensed Product.
- 1.62** “**Losses**” has the meaning set forth in Section 11.1.
- 1.63** “**MAA**” has the meaning set forth in the definition of “Drug Approval Application” in Section 1.29.
- 1.64** “**mAb<sup>2</sup>**” means an Antibody (a) which contains a Gamma Fcab and (b) which contains a Fab or an Incorporated Biologic.

**1.65** “**Major EU Market**” means each of [\*\*\*].

**1.66** “**Manufacture**” and “**Manufacturing**” means all activities related to the synthesis, making, production, processing, purifying, formulating, filling, finishing, packaging, labeling, shipping, and holding of any molecule, product or any intermediate thereof, including process development, process qualification and validation, scale-up, pre-clinical, clinical and commercial production and analytic development, product characterization, supply chain, stability testing, quality assurance testing and release, and quality control.

**1.67** “**Mono Product**” has the meaning set forth in the definition of “Net Sales” in Section 1.68.

**1.68** “**Net Sales**” means, with respect to a Licensed Product for any period, the total amount billed or invoiced on sales of such Licensed Product during such period by Gamma, its Affiliates, or Sublicensees in the Territory to Third Parties (such Third Parties including wholesalers or Distributors), in bona fide arm’s length transactions, less the following deductions, in each case related specifically to the Licensed Product and actually allowed and taken by such Third Parties and not otherwise recovered by or reimbursed to Gamma, its Affiliates, or Sublicensees:

- (a) trade, cash and quantity discounts;
- (b) price reductions or rebates, retroactive or otherwise, imposed by, negotiated with or otherwise paid to governmental authorities or other payees;
- (c) taxes on sales (such as sales, value added, or use taxes) to the extent added to the sale price and set forth separately as such in the total amount invoiced;
- (d) amounts repaid or credited by reason of rejections, defects, return goods allowance, recalls or returns, or because of retroactive price reductions, including rebates or wholesaler charge backs;
- (e) the portion of administrative fees paid during the relevant time period to group purchasing organizations, pharmaceutical benefit managers or similar entities or Medicare Prescription Drug Plans relating to such Licensed Product;

- (f) freight, insurance, import/export, and other transportation charges to the extent added to the sale price and set forth separately as such in the total amount invoiced, as well as any fees for services provided by wholesalers and warehousing chains and other service providers related to inventory management or the distribution of such Licensed Product; and
- (g) uncollectable debt up to a maximum of [\*\*\*] of Net Sales.

Net Sales shall not include transfers or dispositions for charitable, promotional, pre-clinical, clinical, regulatory, or governmental purposes. Net Sales shall include the amount or fair market value of all other consideration received by Gamma, its Affiliates or Sublicensees in respect of the sale of Licensed Product, whether such consideration is in cash, payment in kind, exchange or other form. Net Sales shall not include sales between or among Gamma, its Affiliates, or Sublicensees.

Subject to the above, Net Sales shall be calculated in accordance with the standard internal policies and procedures of Gamma, its Affiliates, or Sublicensees, which must be in accordance with Accounting Standards.

For purposes of calculating Net Sales, all Net Sales shall be converted into Dollars in accordance with Section 7.10.

In the event a Licensed Product is a Combination Product, the Net Sales for such Combination Product shall be calculated as follows:

- (i) If Gamma, its Affiliate, or Sublicensee separately sells in such country or other jurisdiction, (A) a product containing as its sole active ingredient a mAb<sup>2</sup> contained in such Combination Product (the “**Mono Product**”) and (B) products containing as their sole active ingredients the Other Active Ingredients in such Combination Product, the Net Sales attributable to such Combination Product shall be calculated by multiplying actual Net Sales of such Combination Product by the fraction  $A/(A+B)$  where: “A” is Gamma’s (or its Affiliate’s or Sublicensee’s, as applicable) average Net Sales price during the period to which the Net Sales calculation applies for the Mono Product in such country or other jurisdiction and “B” is Gamma’s (or its Affiliate’s or Sublicensee’s, as applicable) average Net Sales price during the period to which the Net Sales calculation applies in such country or other jurisdiction, for products that contain as their sole active ingredients the Other Active Ingredients in such Combination Product.

- (ii) If Gamma, its Affiliate, or Sublicensee separately sells in such country or other jurisdiction the Mono Product but does not separately sell in such country or other jurisdiction products containing as their sole active ingredients the Other Active Ingredients in such Combination Product, the Net Sales attributable to such Combination Product shall be calculated by multiplying the Net Sales of such Combination Product by the fraction  $A/C$  where: “A” is Gamma’s (or its Affiliate’s or Sublicensee’s, as applicable) average Net Sales price during the period to which the Net Sales calculation applies for the Mono Product in such country or other jurisdiction, and “C” is Gamma’s (or its Affiliate’s or Sublicensee’s, as applicable) average Net Sales price in such country or other jurisdiction during the period to which the Net Sales calculation applies for such Combination Product.
- (iii) If Gamma, its Affiliates, and Sublicensees do not separately sell in such country or other jurisdiction the Mono Product but do separately sell products containing as their sole active ingredients the Other Active Ingredients contained in such Combination Product, the Net Sales attributable to such Combination Product shall be calculated by multiplying the Net Sales of such Combination Product by the fraction  $(D-E)/D$  where: “D” is the average Net Sales price during the period to which the Net Sales calculation applies for such Combination Product in such country or other jurisdiction and “E” is the average Net Sales price during the period to which the Net Sales calculation applies for products that contain as their sole active ingredients the Other Active Ingredients in such Combination Product.
- (iv) If Gamma, its Affiliates, and Sublicensees do not separately sell in such country or other jurisdiction both the Mono Product and the Other Active Ingredients or ingredients in such Combination Product, the Net Sales attributable to such Combination Product shall be determined by the Parties in good faith based on the relative fair market value of such Mono Product and such Other Active Ingredient or ingredients. If the Parties cannot agree on such relative value, the Dispute shall be resolved pursuant to Section 13.6.

- 1.69** “**Non-Breaching Party**” has the meaning set forth in Section 12.3.
- 1.70** “**Other Active Ingredient**” means any component that provides pharmacological activity or other direct therapeutic effect in the Field or that therapeutically affects the structure or any function of the body whereby such component is not covered by a Valid Claim of the F-star Patents.
- 1.71** “**Patent Challenge**” has the meaning set forth in Section 12.5
- 1.72** “**Patents**” means (a) all national, regional and international patents and patent applications, including provisional patent applications, (b) all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from either of these, including divisionals, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications, (c) any and all patents that have issued or in the future issue from the foregoing patent applications ((a) and (b)), including utility models, petty patents and design patents and certificates of invention, and (d) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications ((a), (b), and (c))
- 1.73** “**Person**” means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.
- 1.74** “**Phase I**” means a human clinical trial of a Licensed Product, the principal purpose of which is a preliminary determination of safety, tolerability, dosing, pharmacological activity or pharmacokinetics in healthy individuals or patients or similar clinical study prescribed by the Regulatory Authorities, including the trials referred to in 21 C.F.R. §312.21(a), as amended.

- 1.75** “**Phase II**” means a human clinical trial of a Licensed Product, the principal purpose of which is a determination of safety and efficacy in the target patient population, which is prospectively designed to generate sufficient data that may permit commencement of pivotal clinical trials, or a similar clinical study prescribed by the Regulatory Authorities, from time to time, pursuant to Applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(b), as amended.
- 1.76** “**Phase III**” means a human clinical trial of a Licensed Product on a sufficient number of subjects in an indicated patient population that is prospectively designed to establish that a mAb<sup>2</sup> or Licensed Product is safe and efficacious for its intended use and to determine the benefit/risk relationship, warnings, precautions, and adverse reactions that are associated with such product in the dosage range to be prescribed, which trial is intended to support marketing approval of such mAb<sup>2</sup> or Licensed Product, including all tests and studies that are required by the FDA from time to time, pursuant to Applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(c), as amended.
- 1.77** “**Phase IV Study**” means a post-marketing human clinical study for a Licensed Product with respect to any indication as to which Regulatory Approval has been received or for a use that is the subject of an investigator-initiated study program.
- 1.78** “**Platform IP**” means Platform Know-How and Platform Patents.

**1.79** “**Platform Know-How**” means Know-How which was first generated by either Party under an Fcab Discovery Program (as defined in the Denali License Agreement) and/or a mAb<sup>2</sup> Development Plan (as defined in the Denali License Agreement) and/or Technical Development (whenever it was undertaken) which constitutes (i) improvements, modifications and enhancements to the inventions claimed (either in issued claims or pending claims) in the F-star Patents that exist as of the Effective Date, and such improvements, modifications and enhancements are covered by claims (either in issued claims or pending claims) of the F-star Patents that exist as of the Effective Date (ii) [\*\*\*] (iii) [\*\*\*] and (iv) [\*\*\*] provided always that Platform Know-How does not include any Know-How which constitutes (a) the amino acid sequence of the antigen binding site and Fcab constant domain wherein such antigen binding site sequence confers specific binding of the Fcab to an Accepted Fcab Target or (b) the use of an Antibody and its sequence which has an antigen binding site in a constant domain wherein such sequence confers specific binding of the constant domain to an Accepted Fcab Target or (c) the manufacture or formulation (or methods of manufacture or formulation) of an Antibody and its sequence which has a binding site in a constant domain wherein such sequence confers specific binding to an Accepted Fcab Target or (d) the modification of a native binding site within binding loops to a native antigen [\*\*\*]. For avoidance of doubt, after the expiration of the Buy-out Option Period, if Denali has not exercised the Buy-out Option, then F-star and Gamma may amend this Section provided such amendment does not impair the value of the license granted by Gamma to Denali under the Denali License Agreement.

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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**1.80** “**Platform Patents**” means any Patent claiming or covering any invention which was first conceived by either Party under an Fcab Discovery Program (as defined in the Denali License Agreement) and/or a mAb<sup>2</sup> Development Plan (as defined in the Denali License Agreement) and/or Technical Development (whenever it was undertaken) which claims or covers (i) improvements, modifications and enhancements to the inventions claimed (either in issued claims or pending claims) in the F-star Patents that exist as of the Effective Date, and such improvements, modifications and enhancements are covered by the claims (either in issued claims or pending claims) of the F-star Patents that exist as of the Effective Date (ii) [\*\*\*] (iii) [\*\*\*] and (iv) [\*\*\*] provided always that Platform Patents do not include any Patent which specifically claims or covers (a) the amino acid sequence of the antigen binding site and Fcab constant domain wherein such antigen binding site sequence confers specific binding of the Fcab to an Accepted Fcab Target or (b) the use of an Antibody and its sequence which has a binding site in a constant domain wherein such sequence confers specific binding of the constant domain to an Accepted Fcab Target or (c) the manufacture or formulation (or methods of manufacture or formulation) of an Antibody and its sequence which has a binding site in a constant domain wherein such sequence confers specific binding of the constant domain to an Accepted Fcab Target or (d) the modification of a native binding site within binding loops to a native antigen [\*\*\*]. For avoidance of doubt, after the expiration of the Buyout Option Period, if Denali has not exercised the Buy-out Option, then F-star and Gamma may amend this Section provided such amendment does not impair the value of the license granted by Gamma to Denali under the Denali License Agreement.

**1.81** “**Publishing Party**” has the meaning set forth in Section 9.4.3.

**1.82** “**Regulatory Approval**” means, with respect to a country or other jurisdiction in the Territory, any and all approvals (including Drug Approval Applications), licenses, registrations, or authorizations of any Regulatory Authority necessary to Commercialize a mAb<sup>2</sup> or Licensed Product in such country or other jurisdiction, including, where applicable, (a) pricing or reimbursement approval in such country or other jurisdiction, and (b) pre- and post-approval marketing authorizations (including any prerequisite Manufacturing approval or authorization related thereto).



- 1.83** “**Regulatory Authority**” means any applicable supra-national, federal, national, regional, state, provincial, or local governmental or regulatory authority, agency, department, bureau, commission, council, or other entities (e.g., the FDA, EMA and PMDA) regulating or otherwise exercising authority with respect to activities contemplated in this Agreement, including the Exploitation of any mAb<sup>2</sup> or Licensed Products in the Territory.
- 1.84** “**Senior Officer**” means, with respect to Gamma, its Chief Executive Officer or his/her designee, and with respect to F-star, its Chief Executive Officer or his/her designee.
- 1.85** “**SPA**” means that certain Share Purchase Agreement to be made between Denali and the shareholders of Gamma, the form of which is attached to the Buy-out Option Agreement, and pursuant to which Denali purchases the share capital of Gamma pursuant to the Buy-out Option Agreement.
- 1.86** “**Sublicensee**” means a Third Party, other than a Distributor, that is granted a sublicense by Gamma under the grants in Section 6.1 as provided in Section 6.5.
- 1.87** “**Target**” means the target specifically bound by the Fcab or the Fab in an Antibody. With respect to an Incorporated Biologic, the “Target” will mean the Incorporated Biologic itself and not the target(s) bound by the Incorporated Biologic. For purposes of exclusivity or grant of licenses (i.e. Gamma’s right to include a variant of a target), “Target” will also include fragments or polymorphisms (including without limitation splice variants or mutants) of such target antigen (or Incorporated Biologic) provided that in each case Entrez Gene ID, HUGO, UniProt, SwissProt or other gene/protein listing database used on the date the Target is gatekept specifically identifies that such fragment or polymorphism is related to such Target or Incorporated Biologic by identifying it as a fragment and/or polymorphism of such Target or Incorporated Biologic in the database record. By way of example, and without limitation, if there is an Accepted Fab Target (as defined in the Denali License Agreement) that is an antigen commonly known as CDXXX, and subsequently a polymorphism of CDXXX is submitted to one of the gene/protein listing databases, and where the listing specifically identifies the new listing as a polymorphism of CDXXX, then provided such polymorphism is not at such time an Unavailable Fab Target, such polymorphism would also be considered the Accepted Fab Target under this Agreement (and subject to the exclusivity and grant of licenses).

- 1.88** “**Technical Development Term**” means the term for the license granted by F-star to Gamma under Section 6.1.1 (and which Gamma sublicenses to Denali under Section 8.1.1 of the Denali License Agreement) which term commenced prior to the Effective Date and continues, with respect to an Accepted Fcab Target-by-Accepted Fcab Target, until [\*\*\*] after the date that Denali determines to cease funding F-star’s costs under the Services Agreement with respect to an Fcab Discovery Plan for such Accepted Fcab Target pursuant to Section 9.2 of the Denali License Agreement (provided such determination date is not less than [\*\*\*] after Denali has transferred to F-star all reagents and assays for F-star to conduct the antigen validation (e.g. conclusion of Step 1, Antigens of Schedule 1.51 of the Denali License Agreement for the TFR Fcab Discovery Plan) for the Accepted Fcab Target pursuant to the applicable Fcab Discovery Plan).
- 1.89** “**Technical Development**” means the use by Gamma of the F-star IP existing at the Effective Date, to Develop Fcabs and to generate libraries of Fcabs and/or to undertake further development of the F-star IP in each case to support the development of Fcabs.
- 1.90** “**Term**” means the period commencing on the Effective Date and expiring on the expiry of the term of this Agreement as set forth in Section 12.1 or the earlier termination in accordance with the terms of this Agreement in relation to all Gamma’s Accepted Fcab Targets or Accepted Fab Targets.
- 1.91** “**Territory**” means all countries and territories worldwide.
- 1.92** “**Third Party Claims**” has the meaning set forth in Section 11.1.
- 1.93** “**Third Party**” means any Person other than F-star Gamma and their respective Affiliates. For clarity each of F-star Alpha, and F-star Beta shall be deemed Third Parties.
- 1.94** “**TfR**” means Transferrin Receptor also known as TFR1, TRFR and TFR which is identified by UniProt number P02786.
- 1.95** “**Transferred Library**” means the repertoire of Antibodies which have binding sites in a constant domain and which is or is to be transferred to F-star by Gamma or by a licensee of Gamma (including all libraries transferred by Denali to F-star and/or Gamma).
- 1.96** “**Unavailable Fcab Targets**” has the meaning set forth in Section 3.1.3.
- 1.97** “**Valid Claim**” means either: (a) a claim of a pending Patent application, which claim was filed and is being prosecuted in good faith and has not been abandoned or finally disallowed

without the possibility of appeal or re-filing of the application and such application has not been outstanding for more than [\*\*\*] from its earliest priority date; or (b) a claim of any issued and unexpired Patent directed to patentable subject matter for which the validity, enforceability, or patentability has not been affected by any of the following: (x) irretrievable lapse, abandonment, revocation, dedication to the public, or disclaimer; or (y) a holding, finding, or decision of invalidity, unenforceability, or non-patentability by a court, governmental agency, national or regional patent office, or other appropriate body that has competent jurisdiction, such holding, finding, or decision being final and unappealable or unappealed within the time allowed for appeal.

**1.98** In this Agreement:

- 1.98.1** all references to a particular clause, section or schedule shall be a reference to that clause, section or schedule in or to this Agreement as it may be amended from time to time pursuant to this Agreement;
- 1.98.2** the headings are inserted for convenience only and shall be ignored in construing this Agreement;
- 1.98.3** words importing the masculine gender shall include the feminine and vice versa and words in the singular include the plural and vice versa;
- 1.98.4** words denoting persons shall include any individual, partnership, company, corporation, joint venture, trust association, organisation or other entity, in each case whether or not having separate legal personality;
- 1.98.5** the words “include”, “included” and “including” are to be construed without conveying any limitation to the generality of the preceding words;
- 1.98.6** reference to any statute or regulation includes any modification or reenactment of that statute or regulation;
- 1.98.7** any reference to notices or consent being sought or given in writing shall require the consent or notice to be signed by an appropriately authorised person and shall not include consents or notices conveyed by email; and
- 1.98.8** in the event of any inconsistency or conflict between this Agreement and any of the Schedules, this Agreement shall prevail.

**ARTICLE 2**  
**AMENDMENT AND RESTATEMENT OF EXISTING AGREEMENT**

- 2.1** The terms of this Agreement amend and restate the Existing License Agreement with effect from the Effective Date. For the avoidance of doubt the Existing License Agreement shall continue in full force and effect until this Agreement comes into force.

**ARTICLE 3**  
**TARGET NOMINATION**

- 3.1 Selection of Accepted Fcab Targets.** Gamma has the right to nominate up to three (3) Targets for approval as Accepted Fcab Targets. Prior to the Effective Date, TfR has been accepted by the Parties as the first such Accepted Fcab Target. Gamma may nominate up to two further Accepted Fcab Targets as follows:

- 3.1.1** The second and third Fcab are both to be directed against Targets which have been selected with the aim to facilitate transcytosis of the resulting mAb<sup>2</sup> across the blood-brain barrier.
- 3.1.2** The second and third Fcab Targets shall be nominated no later than thirty-six (36) months after the Effective Date.
- 3.1.3** Gamma shall nominate a proposed Accepted Fcab Target by providing a notice to F-star and the Gatekeeper simultaneously (an “**Fcab Target Nomination Notice**”). Such notice must include the Entrez Gene ID, HUGO or official symbol and common synonyms (if available) for such Target. On receipt of such notice F-star shall submit the Fcab to the Gatekeeper. Within ten (10) Business Days following the Gatekeeper’s receipt of the Fcab Target Nomination Notice with respect to a particular Target, the Gatekeeper shall verify whether such Target is on the list of Unavailable Fcab Targets and notify F-star in writing. On receipt of a response from the Gatekeeper, F-star shall notify Gamma whether the proposed Fcab Target is an Available Fcab Target. An “**Available Fcab Target**”

is a Target, in respect of which the F-star is entitled to exercise the rights pursuant to this Agreement, to nominate as an Accepted Fcab Target and which is not an Unavailable Fcab Target. The Gatekeeper shall maintain an up-to-date list of Unavailable Fcab Targets (“**Unavailable Fcab Targets**”). An Unavailable Fcab Target shall only be a Target that is:

- (a) the subject of a pre-existing and bona fide internal Fcab program of F-star GmbH, F-star Ltd or their respective Affiliates on which F-star GmbH, F-star Ltd or their respective Affiliates are then expending resources to the active research, Development or Commercialization of such program and have committed resources to the continued research, Development or Commercialization of such program in the upcoming twelve (12) months,
- (b) under an active, executed written agreement between one or more of F-star GmbH, F-star Ltd or their respective Affiliates and a Third Party that would preclude the grant of a license or exclusivity to such Target, or
- (c) the subject of bona fide, ongoing negotiations between one or more of F-star GmbH, F-star Ltd or their respective Affiliates and a Third Party where such negotiations specifically contemplate that a license or exclusivity would be granted to such Target and a written term sheet (or other written statement (including by email) of the scope and corresponding financial terms of such potential agreement) has been received or delivered by or to F-star, F-star GmbH or their respective Affiliates.

**3.1.4** If the Fcab Target is an Unavailable Fcab Target then, subject to Section 3.1.2, Gamma shall be entitled to nominate a different Target as a proposed Accepted Fcab Target and the provisions of this Section 3.1 shall apply to such proposed Accepted Fcab Target.

**ARTICLE 4**  
**DILIGENCE**

- 4.1** Subject to Section 4.4, Gamma shall use its Commercially Reasonable Efforts to [\*\*\*].
- 4.2** Gamma shall keep F-star apprised of the status of the preclinical, clinical and commercial development of all products by providing F-star with a [\*\*\*] on a [\*\*\*] basis covering the activities performed by or on behalf of Gamma with respect to each applicable product since the previous report.
- 4.3** Gamma shall, and shall procure the Denali shall, promptly provide to F-star Ltd a copy (in the form of a glycerol stock) of each Transferred Library created by Denali pursuant to the Denali License Agreement or this Agreement on its creation. Neither Licensor, nor F-star Ltd or F-star GmbH shall use any such Transferred Library to screen or identify Fcabs against any Accepted Fcab Targets.
- 4.4** Following completion by Denali of the acquisition of Gamma following the exercise of the Buy-out Option, the following provisions shall apply in place of Section 4.1 and amend Section 4.2:
- 4.4.1** Gamma's obligations to report to F-star shall be the same as Denali's reporting obligations in the SPA, *mutatis mutandis*; and
- 4.4.2** The provisions of Section 2.1 through 2.7 of Schedule 5 of the SPA are incorporated herein on the basis that F-star has the same rights, including as to enforcing such rights, as the Sellers (as defined in the SPA) in such Section subject to the limitations in such Section and applied *mutatis mutandis* to this Agreement. For example, [\*\*\*].

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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**ARTICLE 5**  
**EXCLUSIVITY**

- 5.1 Exclusivity.** F-star will not, and will cause its Affiliates not to,
- 5.1.1** (i) directly or indirectly, Develop, Commercialize or Manufacture (a) an Antibody or any other molecule in either case incorporating a Gamma Fcab or (b) any Gamma Fcab as a stand-alone product in the Field, in each case in any country or other jurisdiction in the Territory, or (ii) license, authorize, appoint, or otherwise enable any Third Party to, directly or indirectly, Develop, Commercialize or Manufacture (a) an Antibody or any other molecule in either case incorporating a Gamma Fcab or (b) any Gamma Fcab, in each case in any country or other jurisdiction in the Territory.
  - 5.1.2** take any action to solicit, initiate, encourage or assist the submission of any proposal, negotiation or offer from any Person relating to a Gamma Fcab.
- 5.2** F-star shall cease, and shall cause each of its Affiliates to cease, all Development on Antibody or any other molecule incorporating a Gamma Fcab, except as expressly set forth in the Gamma Support Services Agreement.
- 5.3 Exclusivity in respect of Platform IP assigned to F-star.** F-star hereby covenants that it shall not, and shall cause its Affiliates not to: (i) use or license, authorize, appoint, fund or otherwise enable any Third Party to use, any Platform IP that is assigned by Gamma to F-star pursuant to this Agreement or by Denali to F-star pursuant to the Denali License Agreement; or (ii) use any Transferred Library; in each case to Develop, Commercialize or Manufacture any Fcab which is intended for the transport of a product across the blood-brain barrier. This covenant shall survive the expiry or termination of this Agreement for whatever reason.

**ARTICLE 6**  
**GRANT OF RIGHTS**

**6.1 Grants by F-star to Gamma.**

**6.1.1** During the Technical Development Term, F-star hereby grants to Gamma, and following completion by Denali of the acquisition of Gamma following the exercise of the Buy-out Option, to Gamma's Affiliates, a non-exclusive license, with no right to grant sublicenses (except to Denali as provided in the Denali License Agreement), under the F-star IP (existing as of the Effective Date) solely for the purpose of undertaking Technical Development solely for the purposes of generating, identifying or improving potential Fcabs against Accepted Fcab Targets.

**6.1.2** Subject to Sections 6.5 and 6.8, F-star hereby grants to Gamma, and following completion by Denali of the acquisition of Gamma following the exercise of the Buy-out Option, to Gamma's Affiliates, an exclusive license, with the right to grant sublicenses as provided below, under the F-star IP and Platform IP, to Exploit, and for the sole purpose of discovering and Exploiting Gamma Fcabs and mAb<sup>2</sup>s.

**6.2 Grants by Gamma.**

**6.2.1** Gamma hereby grants to F-star, from the Effective Date until the expiration of the applicable License Option Deadline, a non-exclusive sub-license, with no right to grant sublicenses without Gamma's consent under the rights granted to Gamma under Section 8.3.1 of the Denali License Agreement, solely to conduct F-star's activities under the Fcab Discovery Plan and the mAb<sup>2</sup> Development Plan in the Territory



**6.2.2** Gamma shall, and hereby does, grant to F-star (without any further action required on the part of Gamma) a non-exclusive, royalty-free and fully paid-up, irrevocable and perpetual license, with the right to grant sublicenses through multiple tiers, under Gamma IP reasonably necessary to Exploit, and for the sole purpose of Exploiting, any Fcabs (other than any Gamma Fcab), but expressly excluding from such license grant any rights to (a) any Gamma Fcabs, (b) any mAb<sup>2</sup>, (c) any Fabs or (d) any Fab Targets, and subject to: (i) ARTICLE 5; and (ii) to any licenses granted to Gamma in Section 6.1; in the Field in the Territory.

**6.2.3** Gamma shall, and hereby does, grant to F-star (without any further action required on the part of Gamma) a non-exclusive, royalty-free and fully paid-up, irrevocable and perpetual license (or sublicense as the case may be), with the right to grant sublicenses through multiple tiers, under Gamma IP and any Denali Background IP, Denali Program IP and Joint Program IP (as each of those terms are defined in the Denali License Agreement) in each case which Gamma or its Affiliates (including Denali if Denali exercises the Buy-out Option) has used in conducting Technical Development and which is reasonably necessary to Exploit, and for the sole purpose of Exploiting, any Platform IP subject to: (i) ARTICLE 5 (including Section 5.3, which terms shall also apply to the rights granted in this Section); and (ii) to any licenses granted to Gamma in Section 6.1; in the Field in the Territory.

### **6.3 Know-How License.**

**6.3.1** Gamma hereby grants to F-star from the Effective Date a non-exclusive, royalty-free and fully paid-up, irrevocable and perpetual license, with the right to grant sublicenses through multiple tiers, under Gamma Know-How and any Know-How that is the subject of Section 8.4.1 of the Denali License Agreement to the extent that such Know-How: (i) was disclosed to F-star during the Term; and (ii) does not comprise any sequence of a Gamma Fcab or any Fab which is confidential to Gamma; for all purposes in all fields. For clarity, the license grant in this Section 6.3.1 does not include rights under any Patents.

**6.3.2** F-star hereby grants to Gamma from the Effective Date a non-exclusive, royalty-free and fully paid-up, irrevocable and perpetual license, with the right to grant sublicenses through multiple tiers, under F-star Know-How and Platform Know-How in each case to the extent that such Know-How: (i) with respect to Know-How, was disclosed to Gamma during the Term; and (ii) does not comprise any sequence of any Fcab or Fab which is confidential to F-star unless otherwise licensed to Gamma hereunder; for all purposes in all fields. For clarity, the license grant in this Section 6.3.2 does not include rights under any Patents.

**6.4 Platform IP License.** F-star hereby grants to Gamma a non-exclusive, royalty-free and fully paid-up, irrevocable and perpetual license, with the right to grant sublicenses through multiple tiers, under the Platform IP to Exploit any product or practice any method in each case in connection with the Exploitation of products for the delivery of therapeutics across the blood brain barrier and provided that such license grant does not include the right to, prior to the later of (i) the last to expire of any Platform Patents and (ii) [\*\*\*]: (a) [\*\*\*] in relation to the introduction of new antigen binding sites (where the reference to new means that the binding site was not obtained by modifying the binding site that is native to that loop) within the binding loops of a constant domain of an Antibody provided always that nothing in this part (a) shall preclude Gamma from researching, discovering, Developing or Exploiting Gamma Fcabs or mAb<sup>2</sup>, or (b) grant a sublicense to the Platform IP without also granting rights in relation to specific products that have been or are to be developed by Gamma and which products are also covered by Intellectual Property owned or Controlled by Gamma or an Affiliate of Gamma.

**6.5 Grant of sublicenses under Denali Intellectual Property to F-star.**

**6.5.1** If Denali has not exercised its Buy-out Option within the Buy-out Option Period, Gamma shall, and hereby does, grant to F-star (without any further action required on the part of Gamma or F-star) a non-exclusive, royalty-free and fully paid-up, irrevocable and perpetual sub-license, with the right to grant sublicenses through multiple tiers the rights granted to Denali in Section 8.3.2 of the Denali License Agreement, but expressly subject to the limitations set out in Section 8.3.2 of the Denali License Agreement.

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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**6.5.2** Gamma shall, and hereby does, grant to F-star (without any further action required on the part of Gamma or F-star) a non-exclusive, royalty-free and fully paid-up, irrevocable and perpetual sub-license, with the right to grant sublicenses through multiple tiers the rights granted to Gamma in Section 8.3.3 of the Denali License Agreement, but expressly subject to the limitations set out in Section 8.3.3 of the Denali License Agreement.

**6.6 Grant of Sublicenses by Gamma.** Gamma shall have the right to grant sublicenses, through multiple tiers of sublicenses, under the licenses granted in Section 6.1, to Sublicensees and Distributors; *provided* that any such sublicenses shall (a) be in writing, (b) be consistent with the terms and conditions of this Agreement, and (c) require the applicable Sublicensee or Distributor to comply with all applicable terms of this Agreement. Gamma shall be responsible for the performance of any Sublicensee or Distributor as if such Sublicensee or Distributor were “Gamma” hereunder. [\*\*\*].

**6.7 Distributorships.** Gamma and its Affiliates shall have the right, in their sole discretion, to appoint any Third Parties, in the Territory or in any country or other jurisdiction of the Territory, to distribute, market, and sell the Licensed Products, in circumstances where the Person purchases Licensed Products from Gamma or its Affiliates or a Sublicensee of either of them. Where Gamma or its Affiliates appoints such a Third Party, that Person shall be a “**Distributor**” for purposes of this Agreement and Net Sales from such Distributors shall include all of the amounts received from such Third Parties [\*\*\*] in consideration for the sale of any Licensed Products. For clarity, if Gamma grants to a Third Party any rights under applicable Intellectual Property to make, use, sell, offer for sale or import a Licensed Product, then such Third Party shall be a Sublicensee and not a Distributor.

- 6.8 Retention of Rights.** Notwithstanding the exclusive licenses granted to Gamma pursuant to Section 6.1, F-star retains the right for itself and its Affiliates and licensees to practice under the F-star IP outside the scope of the licenses granted herein and to perform and to sublicense subcontractors to perform its obligations under this Agreement and the Gamma Support Services Agreement. Except as expressly provided herein, F-star grants no other right or license, including any rights or licenses to the F-star IP, or any other Patent or intellectual property rights not otherwise expressly granted herein, whether by implication, estoppel, or otherwise.
- 6.9 No Implied Rights.** Except as expressly provided herein, Gamma grants no other right or license, including any rights or licenses to the Gamma IP or any other Patent or intellectual property rights not otherwise expressly granted herein, whether by implication, estoppel or otherwise.
- 6.10 Confirmatory Patent License.** Each Party shall, if requested to do so by the other, promptly enter into confirmatory license agreements in the form or substantially the form reasonably requested by the requesting Party for purposes of recording the licenses granted under this Agreement with such patent offices in the Territory as requesting Party considers appropriate.
- 6.11 Financial Obligations.** All financial obligations of F-star, including royalties, due from F-star to Third Parties for the F-star IP is the sole responsibility of F-star and all financial obligations of Gamma, including royalties, due from Gamma to Third Parties for the Gamma IP is the sole responsibility of Gamma (provided that following completion by Denali of the acquisition of Gamma, if a sublicense to F-star under Section 6.2 requires or triggers a payment obligation, then F-star is responsible to pay such payment obligation).

**6.12 F-star In-Licenses.** F-star shall timely pay in full all amounts required to be paid by F-star, and timely perform in full all obligations required to be performed by F-star, under all F-star In-Licenses. F-star promptly shall provide Gamma with copies of all notices and other deliveries received under the F-star In-Licenses. Without the prior express written consent of Gamma, F-star shall not (and shall take no action or make no omission to) modify or waive any provision of any F-star In-License that could impair the value of the licenses to Gamma herein, or to terminate or have terminated any F-star In-License. If any F-star In-License is terminated for any reason other than in circumstances where Gamma is in breach of this Agreement, F-star shall use its Commercially Reasonable Efforts to ensure that the licensor thereunder, shall grant a direct license under the F-star IP to Gamma containing terms and conditions no less favorable to Gamma than the payment terms of such F-star In-License.

**ARTICLE 7**  
**PAYMENTS AND RECORDS**

- 7.1** In consideration for the grant of the licence and other rights by F-star to Gamma, Gamma shall make the payments to F-star as provided in this Section 7.
- 7.2** On an Accepted Fcab Target-by-Accepted Fcab Target basis, unless and until (i) Gamma has exercised its option pursuant to Section 7.5.1 or (ii) completion by Denali of the acquisition of Gamma pursuant to Section 7.5.2:
- 7.2.1** Gamma shall pay to F-star [\*\*\*] per cent ([\*\*\*]%) of any payment made to Gamma under any sub-licence in consideration for:
- (a) execution of any sub-licence;
  - (b) any exclusivity rights granted in the sub-licence; and
  - (c) [\*\*\*].
- 7.2.2** Gamma shall pay to F-star [\*\*\*] per cent ([\*\*\*]%) of any other payments (other than those specified in Section 7.2.1 above) made to Gamma, under any sub-licence that in made in respect of an event that [\*\*\*].
- 7.2.3** Gamma shall pay to F-star [\*\*\*] per cent ([\*\*\*]%) of all payments made to Gamma under any sub-licence made in respect of an event that [\*\*\*].
- 7.2.4** Gamma shall pay to F-star [\*\*\*] per cent ([\*\*\*]%) of any payments made to Gamma made in respect of an event that [\*\*\*].
- 7.3** In the event that certain Products are not sub-licensed by Gamma to a Third Party, unless and until (i) Gamma has exercised its option pursuant to Section 7.5.1 or (ii) completion by Denali of the acquisition of Gamma pursuant to Section 7.5.2; Gamma shall pay to F-star the following milestone payments in respect of any such Product which is not licensed to a Third Party that achieves each such milestone:

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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- (a) [\*\*\*];
- (b) [\*\*\*];
- (c) [\*\*\*];
- (d) [\*\*\*];
- (e) [\*\*\*]; and
- (f) [\*\*\*].

**7.3.2** Gamma shall notify F-star within [\*\*\*] of its achievement of any milestone and F-star may immediately submit an invoice for the amount due in respect of the achievement of any milestone by Gamma or its sub-licensees.

**7.4** Unless and until (i) Gamma has exercised its option pursuant to Section 7.5.1 or (ii) completion by Denali of the acquisition of Gamma pursuant to Section 7.5.2 Gamma shall pay to F-star:

- (a) a royalty of [\*\*\*] per cent ([\*\*\*]%) on the portion of annual Net Sales of Licensed Products by Gamma or its Affiliates that is between [\*\*\*] and [\*\*\*]; and
- (b) a royalty of [\*\*\*] per cent ([\*\*\*]%) on the portion of annual Net Sales of Licensed Products by Gamma or its Affiliates that is greater than [\*\*\*].

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**7.4.2** If Gamma is required to obtain a licence from any Third Party under any [\*\*\*], and if Gamma is required to pay to such Third Party [\*\*\*] under such licence in respect of [\*\*\*] and [\*\*\*], or if Gamma is required by a court of competent jurisdiction to pay [\*\*\*] to such a Third Party, then Gamma's obligation to pay the amounts set out in this Section 7.4 with respect to [\*\*\*] shall be reduced by [\*\*\*] up to a maximum reduction of [\*\*\*] per cent ([\*\*\*]%) of the amount otherwise payable in respect of [\*\*\*].[\*\*\*].

**7.5** In the event that:

**7.5.1** Denali does not exercise its Buy-out Option during the Buy-out Option Period, and a Third Party (other than Denali or an Affiliate of Denali) acquires the entire issued share capital of Gamma, the Parties agree that in substitution for any future amounts that would have been payable by Gamma to F-star pursuant to Sections 7.2, 7.3 and 7.4, Gamma may elect by written notice (such election to be made on or no later than [\*\*\*] after completion the acquisition) to pay to F-star a sum equal to [\*\*\*] provided that Gamma shall pay to F-star [\*\*\*]:

- (a) [\*\*\*]; and
- (b) [\*\*\*].

**7.5.2** Denali or an Affiliate of Denali acquires the entire issued share capital of Gamma, the Parties agree that in substitution for any future amounts that would have been payable by Gamma to F-star pursuant to Sections 7.2, 7.3 and 7.4 Gamma shall instead be required to make the following payments:

- (a) within [\*\*\*] after payment of the Initial Amount (as defined in the SPA) to the Sellers under the SPA, Gamma will pay F-star an amount equal to [\*\*\*]; and
- (b) within [\*\*\*] after any payment of Contingent Consideration (as defined in the SPA) to the Sellers under the SPA, Gamma will pay F-star an amount equal to [\*\*\*];

Provided always that:

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- (i) The above amounts payable to F-star shall be payable [\*\*\*];
- (ii) F-star has the same rights to receive payment in respect of the payments set out in parts (a) and (b) of this Section 7.5.2, including as to enforcing such rights, as the Cash Sellers (as defined in the SPA) have to enforce their rights to receive payment in the SPA, and the relevant definitions and other provisions of Schedule 5 of the SPA are incorporated by reference herein to the extent necessary to enable such enforcement by F-star; and
- (iii) For clarity, it is acknowledged and agreed that:
  - (A) The payments are in consideration of the rights granted under this Agreement and not in respect of any Shares (as defined in the SPA);
  - (B) F-star shall have no rights to any portion of the Estimated Net Cash or any adjustment made pursuant to clause 4.1 of the SPA;
  - (C) The payments shall be made directly to F-star and not to the Payments Administrator (as defined in the SPA); and
  - (D) Payments of the amounts hereunder shall not be subject to any allocation with the Sellers.

(the amounts payable pursuant to Sections 7.5.1 or 7.5.2 as the case may be being the “**Acquisition Buyout Payment(s)**”).

**7.6** If the consideration payable by the Third Party pursuant to Section 7.5.1 is payable in tranches by way of milestone, conditional payments or royalties and Gamma elects to pay the Acquisition Buyout Payment, the amounts payable by Gamma will be due with [\*\*\*] of the achievement of the relevant milestone event as set out in the relevant sale and purchase agreement in the case of an acquisition by a Third Party pursuant to Section 7.5.1 and will be made in immediately available funds to such bank account as may be notified to Gamma by F-star for such purposes.

**7.7** All invoices shall be billed and payable in Pounds Sterling. Invoices shall be payable within [\*\*\*] of issue; provided that the Acquisition Buyout Payments made by Gamma following completion by Denali of the acquisition of Gamma shall be paid in U.S. Dollars and in accordance with the times set forth in the SPA.

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- 7.8** Without limiting any other remedy of F-star, if Gamma fails to make any payment by the due date, F-star may charge interest in the amount overdue at the rate of [\*\*\*], such interest accruing [\*\*\*].
- 7.9 Royalty Payments and Reports.** Gamma shall calculate all amounts payable to F-star pursuant to Section 7 at the end of each Calendar Quarter, which amounts shall be converted to Dollars, in accordance with Section 7.10. Gamma shall pay to F-star the royalty amounts due with respect to a given Calendar Quarter within forty five (45) days after the end of such Calendar Quarter and each such payment once made shall be non-refundable except as expressly provided in Section 7.14. Each payment of royalties due to F-star shall be accompanied by a statement of the amount of Net Sales of each Licensed Product in each country or other jurisdiction in the Territory during the applicable Calendar Quarter (including such amounts expressed in local currency and as converted to Dollars), the applicable royalty rate(s) under this Agreement (including any reduction(s) to such royalty rate(s) under Section 7.4.2) and a calculation of the amount of royalty payment due on such Net Sales for such Calendar Quarter.
- 7.10 Mode of Payment.** All payments to either Party under this Agreement shall be made from the US to the UK, without setoff, by deposit of Dollars in the requisite amount to such bank account as F-star may from time to time designate by notice to Gamma. For the purpose of calculating any sums due under, or otherwise reimbursable pursuant to, this Agreement (including the calculation of Net Sales expressed in currencies other than Dollars), a Party shall convert any amount expressed in a foreign currency into Dollar equivalents using its, its Affiliate's or Sublicensee's standard conversion methodology consistent with Accounting Standards.
- 7.11 Withholding Taxes.** When a Party becomes aware that it will have an obligation to deduct or withhold an amount for or on account of tax from any payment under this Agreement it shall notify the Party who is entitled to receive the payment in writing as soon as reasonably practicable and the Parties shall use their reasonable endeavours to do all such acts and things and to sign all such documents as will enable them to take advantage of any applicable double taxation agreement, treaty or domestic exemption which may apply to eliminate or reduce withholding taxes and otherwise provide the other Party such assistance as is reasonably required to obtain a refund of the withheld or similar taxes, or obtain a credit with respect to such taxes. In the event there is no applicable double taxation agreement,

treaty or domestic exemption, or if an applicable double taxation agreement, treaty or domestic exemption reduces but does not eliminate such withholding or similar tax, the payor shall deduct the amount paid from the amount due to the payee, remit such withholding or similar tax to the appropriate tax authority and secure and send to the payee reasonable evidence of the payment of such withholding or similar tax. In the event that any taxes (including without limitation any stamp duties or stamp duty reserve taxes) are required by applicable tax law to be withheld or deducted for or on account of tax from any payments made under this Agreement, any taxes so withheld and deducted from any payment by the payor and paid over to the appropriate government tax authority shall be treated as paid to the payee under this Agreement.

**7.12 Indirect Taxes.** All payments are exclusive of value added taxes, sales taxes, consumption taxes and other similar taxes (the “**Indirect Taxes**”). If any Indirect Taxes are chargeable in respect of any payments, the paying Party shall pay such Indirect Taxes at the applicable rate in respect of such payments following receipt, where applicable, of an Indirect Taxes invoice in the appropriate form issued by the receiving Party in respect of those payments. The Parties shall issue invoices for all amounts payable under this Agreement consistent with Indirect Tax requirements and irrespective of whether the sums may be netted for settlement purposes. If the Indirect Taxes originally paid or otherwise borne by the paying Party are in whole or in part subsequently determined not to have been chargeable, all necessary steps will be taken by the receiving Party to receive a refund of these undue Indirect Taxes from the applicable governmental authority or other fiscal authority and any amount of undue Indirect Taxes repaid by such authority to the receiving Party will be transferred to the paying Party within forty-five (45) days of receipt.

**7.13 Financial Records.** Gamma shall, and shall cause its Sublicensees and Affiliates to, keep complete and accurate books and records pertaining to Net Sales of Licensed Products in sufficient detail to calculate all amounts payable hereunder and to verify compliance with its obligations under this Agreement. Such books and records shall be retained by Gamma and its Sublicensees and Affiliates until [\*\*\*] after the end of the Calendar Year to which such books and records pertain.

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**7.14 Audit.** At the request of F-star, Gamma shall, and shall cause its Sublicensees and Affiliates to, permit an independent public accounting firm of nationally recognized standing designated by F-star and reasonably acceptable to Gamma, at reasonable times during normal business hours and upon reasonable notice, to audit the books and records maintained pursuant to Section 7.12 to ensure the accuracy of all payment reports and payments made hereunder. Such examinations may not (a) be conducted for any Calendar Quarter more than [\*\*\*] after the end of such Calendar Year to which such books and records pertain, (b) be conducted more than once in any twelve (12) month period (unless a previous audit during such twelve (12)-month period revealed an underpayment with respect to such period) or (c) be repeated for any Calendar Quarter. The accounting firm shall report to the Parties with reasons whether the reports are correct or not, and the specific details concerning any discrepancies. No other information shall be shared with F-star. Except as provided below, the cost of this audit shall be borne by the auditing Party, unless the audit reveals a variance of more than [\*\*\*] from the reported amounts, in which case the audited Party shall bear the cost of the audit. Unless disputed pursuant to Section 7.15 below, if such audit concludes that (i) additional amounts were owed by the audited Party, the audited Party shall pay the additional amounts within thirty (30) days, or (ii) excess payments were made by the audited Party, the auditing Party shall reimburse such excess payments, in either case ((i) or (ii)), within sixty (60) days after the date on which such audit is completed by the auditing Party. The accounting firm shall provide to Gamma a preliminary copy of its audit report, and shall discuss with Gamma any issues or discrepancies that Gamma identifies, prior to submission to F-star.

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- 7.15 Audit Dispute.** In the event of a dispute with respect to any audit under Section 7.14, F-star and Gamma shall work in good faith to resolve the disagreement. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within thirty (30) days, the dispute shall be submitted for resolution to a certified public accounting firm jointly selected by each Party's certified public accountants or to such other Person as the Parties shall mutually agree (the "**Audit Arbitrator**"). The decision of the Audit Arbitrator shall be final and the costs of such arbitration as well as the initial audit shall be borne between the Parties in such manner as the Audit Arbitrator shall determine. Not later than thirty (30) days after such decision and in accordance with such decision, the audited Party shall pay the additional amounts, or the auditing Party shall reimburse the excess payments, as applicable.
- 7.16 Confidentiality.** The receiving Party shall treat all information subject to review under this ARTICLE 7 in accordance with the confidentiality provisions of ARTICLE 9 and the Parties shall cause the Audit Arbitrator to enter into a reasonably acceptable confidentiality agreement with the audited Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement.
- 7.17 Effect of provisions following completion by Denali of the acquisition of Gamma.** Following completion by Denali of the acquisition of Gamma, the following Sections shall be terminated and have no further effect: 7.9, 7.10, 7.13, 7.14, 7.15 and 7.16.

**ARTICLE 8**  
**INTELLECTUAL PROPERTY**

**8.1 Ownership of Intellectual Property.**

**8.1.1 F-star Ownership.** As between the Parties, F-star or an Affiliate of F-star designated by F-star shall Control all right, title, and interest in and to any and all F-star IP and any and all Platform IP.

**8.1.2 Gamma Ownership.** As between the Parties, Gamma or an Affiliate designated by Gamma shall own all right, title, and interest in and to any and all Gamma IP.

**8.1.3 Ownership of Technology.** Except as set forth in this Section 8.1.3, as between the Parties, each Party shall own all right, title, and interest in and to any and all: (a) Information and inventions that are conceived, discovered, developed, or otherwise made by or on behalf of such Party (or its Affiliates or Sublicensees) under or in connection with this Agreement, whether or not patented or patentable, and any and all Patents and other intellectual property rights with respect thereto, and (b) other Information, inventions, Patents, and other intellectual property rights that are owned or otherwise Controlled (other than pursuant to the license grants set forth in Section 6.1) by such Party, its Affiliates or its licensees or Sublicensees. Notwithstanding the foregoing F-star shall own all Platform IP and:

- (a) **Disclosure Obligation.** Gamma shall promptly disclose to F-star in writing, the conception, discovery, development or making of any Platform Know-How.
- (b) **Assignment Obligation.** Gamma, for itself and on behalf of its Affiliates, hereby assigns (and to the extent such assignment can only be made in the future hereby agrees to assign), to F-star all its right, title and interest in and to any Platform Know-How and Platform Patents. Gamma will execute and record assignments and other necessary documents

consistent with such ownership. Gamma shall cause all Persons who perform Technical Development pursuant to the Denali License Agreement to be under an obligation to assign (or, if Gamma is unable to cause such Person to agree to such assignment obligation despite Gamma's using Commercially Reasonable Efforts to negotiate such assignment obligation, provide a license under) its rights in any Information and inventions resulting therefrom to Gamma, except where Applicable Law requires otherwise and except in the case of governmental, not-for-profit and public institutions which have standard policies against such an assignment (in which case a suitable license, or right to obtain such a license, shall be obtained).

## **8.2 Maintenance and Prosecution of Patents.**

**8.2.1 F-star Patent Prosecution and Maintenance.** F-star shall have the right, but not the obligation, to prepare, file, prosecute, and maintain the F-star Patents and Platform Patents worldwide, at F-star's sole cost and expense.

**8.2.2 Gamma Patent Prosecution and Maintenance.** Gamma shall have the right, but not the obligation, to prepare, file, prosecute, and maintain the Gamma Patents worldwide, at Gamma's sole cost and expense. Gamma shall keep F-star reasonably informed of all steps with regard to the preparation, filing, prosecution, and maintenance strategy (including timing of filing, data to be included, and scope of claims of Patent applications) of the Gamma Patents.

## **8.3 Enforcement of Patents.**

**8.3.1 Enforcement of F-star Patents.** During the Term, F-star shall have the sole and exclusive right, but not the obligation, to enforce and defend worldwide under its control, at its own expense, the F-star Patents and Platform Patents. During the Term, Gamma shall have the sole and exclusive right, but not the obligation, to enforce and defend worldwide under its control, at its own expense, the Gamma Patents.



**8.3.2 Recovery.** Except as otherwise agreed by the Parties in connection with a cost sharing arrangement, any recovery realized as a result of litigation in relation to the F-star Patents, the Gamma Patents or the Platform Patents (whether by way of settlement or otherwise) shall be first, allocated to reimburse the Parties for their costs and expenses in making such recovery (which amounts shall be allocated pro rata if insufficient to cover the totality of such expenses). Any remainder after such reimbursement is made shall be [\*\*\*].

**8.4 Invalidity or Unenforceability Defenses or Actions.**

**8.4.1 F-star Patents.** F-star shall have the sole right, but not the obligation, to defend and control the defense of the validity and enforceability of the F-star Patents.

**8.4.2 Gamma Patents.** Gamma shall have the sole right, but not the obligation, to defend and control the defense of the validity and enforceability of the Gamma Patents.

**8.5 Rights and Obligations under the Denali License Agreement.** Both Gamma and F-star acknowledge that certain rights have been granted to Denali in Sections 10.2, 10.3 and 10.4 of the Denali License Agreement. The Parties agree that:

**8.5.1** where it or an Affiliate is the owner of the relevant Licensor Background Patents, Licensor Program Patents (including any Selected Fcab Program Patents) or Platform Patents (as each term is defined in the Denali License Agreement) its shall be bound by the obligations of Licensor and benefit from the rights of Licensor in Sections 10.2, 10.3 and 10.4 of the Denali License Agreement;

**8.5.2** to the extent that there is conflict between the provisions of this ARTICLE 8 of this Agreement and Sections 10.2, 10.3 or 10.4 of the Denali License Agreement the provisions of Sections 10.2, 10.3 or 10.4 of the Denali License Agreement shall take precedence; and

**8.5.3** the provisions of this Section 8.5 shall terminate automatically on the expiry or termination of the Denali License Agreement.

**8.6 Inventor's Remuneration.** Each Party shall be solely responsible for any remuneration that may be due such Party's inventors under any applicable inventor remuneration laws.

**ARTICLE 9**  
**CONFIDENTIALITY AND NON-DISCLOSURE**

**9.1 Confidentiality Obligations.** At all times during the Term and for a period of ten (10) years following termination or expiration hereof in its entirety, each Party shall, and each of the foregoing shall cause its Affiliates and its and their respective officers, directors, employees, consultants, contractors and agents to, keep confidential and not publish or otherwise disclose to a Third Party and not use, directly or indirectly, for any purpose, any Confidential Information furnished or otherwise made known to it, directly or indirectly, by the other Party, except to the extent such disclosure or use is expressly permitted by the terms of this Agreement, including exercising rights granted hereunder. Notwithstanding the foregoing, to the extent the receiving Party can demonstrate by documentation or other competent proof, the confidentiality and nonuse obligations under this Section 9.1 with respect to any Confidential Information shall not include any information that:

- 9.1.1** has been published by a Third Party or otherwise is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like through no wrongful act, fault or negligence on the part of the receiving Party and its Affiliates, to the extent F-star is the receiving Party;
- 9.1.2** have been in the receiving Party's possession prior to disclosure by the disclosing Party without any obligation of confidentiality with respect to such information;
- 9.1.3** is subsequently received by the receiving Party from a Third Party without restriction and without breach of any agreement between such Third Party and the disclosing Party;
- 9.1.4** that is generally made available to Third Parties by the disclosing Party without restriction on disclosure; or
- 9.1.5** have been independently developed by or for the receiving Party without reference to, or use or disclosure of, the disclosing Party's Confidential Information.

Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the possession of the receiving Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of the receiving Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of the receiving Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the receiving Party unless the combination are in the public domain or in the possession of the receiving Party.

**9.2 Permitted Disclosures.** Each Party may disclose Confidential Information to the extent that such disclosure is:

**9.2.1** in the reasonable opinion of the receiving Party's (or in the event F-star is the receiving Party, the reasonable opinion of F-star GmbH's or F-star Ltd's) legal counsel, required to be disclosed pursuant to law, regulation or a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial and local governmental body of competent jurisdiction, (including by reason of filing with securities regulators, but subject to Section 9.3); provided, that the receiving Party shall first have given prompt written notice (and to the extent possible, at least five (5) Business Days' notice) to the disclosing Party and given the disclosing Party a reasonable opportunity to take whatever action it deems necessary to protect its Confidential Information (for example, quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or governmental body or, if disclosed, be used only for the purposes for which the order was issued). In the event that no protective order or other remedy is obtained, or the disclosing Party waives compliance with the terms of this Agreement, the receiving Party shall furnish only that portion of Confidential Information which the receiving Party is advised by counsel is legally required to be disclosed;

- 9.2.2** made by or on behalf of the receiving Party or their licensees or sub-licensees to the Regulatory Authorities as required in connection with any filing, application or request for Regulatory Approval in accordance with the terms of this Agreement; *provided*, that reasonable measures shall be taken to assure confidential treatment of such Confidential Information to the extent practicable and consistent with Applicable Law;
- 9.2.3** subject to written consent of the disclosing Party, made by or on behalf of the receiving Party to a Patent authority as may be reasonably necessary or useful for purposes of obtaining, defending or enforcing a Patent; *provided*, that reasonable measures shall be taken to assure confidential treatment of such Confidential Information, to the extent such protection is available;
- 9.2.4** made to its or its Affiliates', financial and legal advisors who have a need to know such disclosing Party's Confidential Information and are either under professional codes of conduct giving rise to expectations of confidentiality and non-use or under written agreements of confidentiality and non-use, in each case, at least as restrictive as those set forth in this Agreement; provided that the receiving Party shall remain responsible for any failure by such financial and legal advisors, to treat such Confidential Information as required under this ARTICLE 9;
- 9.2.5** made by the receiving Party or its Affiliates to potential or actual investors, acquirers, investment bankers, lenders, as may be necessary in connection with their evaluation of a potential or actual investment in or acquisition of the receiving Party or its Affiliates; *provided*, that such Persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the receiving Party pursuant to this ARTICLE 9;

**9.2.6** made by Gamma or its Affiliates or Sublicensees to its or their advisors, consultants, clinicians, vendors, service providers, contractors, existing or prospective collaboration partners, licensees, Sublicensees, or other Third Parties as may be necessary or useful in connection with the Exploitation of any mAb<sup>2</sup>, the Licensed Products, or otherwise in connection with the performance of its obligations or exercise of its rights as contemplated by this Agreement; *provided*, that such Persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the receiving Party pursuant to this ARTICLE 9 (with a duration of confidentiality and non-use obligations as appropriate that is no less than five (5) years from the date of disclosure for advisors, consultants, clinicians, vendors, service providers, contractors); or

**9.2.7** made by F-star, F-star GmbH, or F-star Ltd or their Affiliates to its or their advisors, consultants, clinicians, vendors, service providers, contractors, and the like as may be necessary in assisting with F-star's activities contemplated by this Agreement (including in relation to the exercise of the rights granted to F-star in Sections 6.2 or otherwise in connection with the performance of its obligations or exercise of its rights as contemplated by this Agreement); *provided*, that such Persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information of Gamma substantially similar to the obligations of confidentiality and nonuse of F-star pursuant to this ARTICLE 9 (with a duration of confidentiality and non-use obligations as appropriate that is no less than five (5) years from the date of disclosure for advisors, consultants, clinicians, vendors, service providers, contractors and the like).

**9.3 Public Announcements.** Neither F-star, on the one hand, nor Gamma and its Affiliates on the other, shall issue any public announcement, press release, or other public disclosure regarding this Agreement or its subject matter without the other's prior written consent regarding the timing and content, except for any such disclosure that is, in the opinion of the disclosing entity's counsel, required by Applicable Law or the rules of a stock exchange on which the securities of the disclosing entity are listed (or to which an application for listing has been submitted). Prior to the expiration of the Buy-out Period, any such public announcement, press release, or other public disclosure regarding this Agreement shall also require Denali's prior written consent, and after expiration of the Buy-out Period if Denali has not exercised the Buy-out Option, then any such public announcement, press release, or other public disclosure regarding this Agreement shall require Denali's prior written consent if the subject matter is regarding the Denali License Agreement. In the event an entity is, in the opinion of its counsel, required by Applicable Law or the rules of a stock exchange on which its securities are listed (or to which an application for listing has been submitted) to make such a public disclosure, such entity shall submit the proposed disclosure in writing to Gamma or F-star as far in advance as reasonably practicable (and in no event less than seven (7) Business Days prior to the anticipated date of disclosure) so as to provide a reasonable opportunity to comment thereon. Notwithstanding the foregoing, Gamma, its Sublicensees and its and their respective Affiliates shall have the right to publicly disclose research, development and commercial information (including with respect to regulatory matters) regarding mAb<sup>2</sup> and Licensed Products; *provided*, that such disclosure is subject to the provisions of ARTICLE 9 with respect to F-star's Confidential Information and Section 9.5.

**9.4 Publications.** The Parties acknowledge that scientific publications must be strictly monitored to prevent any adverse effect from premature publication of results of the Parties activities hereunder including under any Technical Development, Fcab Discovery or mAb<sup>2</sup> Development.

- 9.4.1** Prior to the expiration of the Buy-out Option Period neither Party shall make any publications, presentations or public disclosures related to a Gamma Fcab unless agreed in writing by the other Party.
- 9.4.2** On a mAb<sup>2</sup>-by-mAb<sup>2</sup> basis, (a) Gamma shall have the right to make any publications, presentations or public disclosures related to a mAb<sup>2</sup> or the corresponding Licensed Product without the need to seek approval or comment from F-star or F-star Ltd or F-star GmbH, and (b) neither F-star, nor F-star GmbH, F-star Ltd or their respective Affiliates may make any publications, presentations or public disclosures related to a mAb<sup>2</sup> or the corresponding Licensed Product without Gamma's prior written approval.
- 9.4.3** Before any paper is submitted for publication or an oral presentation is made for which review or approval rights are provided under Section 9.4, the publishing or presenting Party (or F-star Ltd or F-star GmbH or their respective Affiliates, if they are publishing or presenting, collectively, the "**Publishing Party**") shall deliver a then-current copy of the paper or materials for oral presentation to the non-publishing Party at least thirty (30) days prior to submitting the paper to a publisher or making the presentation where written approval is required and at least fifteen (15) days prior to submitting the paper to a publisher or making the presentation where approval is not required. The non-publishing Party shall review any such paper and give its comments to such Publishing Party within ten (10) days of the delivery of such paper to such other Party. The Publishing Party shall comply with the other Party's request to delete references to the other Party's Confidential Information in any such paper and will withhold publication of any such paper or any presentation of same for an additional sixty (60) days in order to permit the Parties to obtain Patent protection if such other Party deems it necessary.

**9.4.4** Notwithstanding anything herein to the contrary, F-star, F-star GmbH, F-star Ltd, and its and their respective Affiliates shall have the right to make any publications, presentations or public disclosures relating to (a) any Fcabs other than Gamma Fcabs, or (b) any Antibody other than to the extent related to a mAb<sup>2</sup> or Licensed Product, in each case without any approval, review or comments rights by Gamma.

**9.5 Return of Confidential Information.** Upon the effective date of the termination of this Agreement with respect to any Accepted Fcab Target or Accepted Fab Target for any reason, either Party may request in writing, and the other Party shall either, with respect to Confidential Information to which such first Party does not retain rights under the surviving provisions of this Agreement: (a) as soon as reasonably practicable, destroy all copies of such Confidential Information in the possession of the other Party and confirm such destruction in writing to the requesting Party; or (b) as soon as reasonably practicable, deliver to the requesting Party, at the other Party's expense, all copies of such Confidential Information in the possession of the other Party; *provided*, that the other Party shall be permitted to retain one (1) copy of such Confidential Information for the sole purpose of performing any continuing obligations hereunder, as required by Applicable Law, or for archival purposes. Notwithstanding the foregoing, such other Party also shall be permitted to retain such additional copies of or any computer records or files containing such Confidential Information that have been created solely by such Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with such other Party's standard archiving and back-up procedures, but not for any other use or purpose.

## ARTICLE 10

### REPRESENTATIONS AND WARRANTIES

**10.1 Representations and Warranties of Gamma.** Except as set forth in the Disclosure Schedule, Gamma represents and warrants, as of the Effective Date as follows:



- 10.1.1 Organization.** Gamma is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver, and perform this Agreement.
- 10.1.2 Authorization.** The execution and delivery of this Agreement and the performance by Gamma of the transactions contemplated hereby have been duly authorized by all necessary corporate action, and do not violate (a) Gamma's charter documents, bylaws, or other organizational documents, (b) in any material respect, any agreement, instrument, or contractual obligation to which such Gamma is bound, (c) any requirement of any Applicable Law, or (d) any order, writ, judgment, injunction, decree, determination, or award of any court or governmental agency presently in effect applicable to Gamma.
- 10.1.3 Binding Agreement.** This Agreement is a legal, valid, and binding obligation of Gamma enforceable against it in accordance with its terms and conditions, subject to the effects of bankruptcy, insolvency, or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the availability of specific performance, and general principles of equity (whether enforceability is considered a proceeding at law or equity).
- 10.1.4 No Inconsistent Obligation.** Gamma is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement, or that would impede the diligent and complete fulfillment of its obligations hereunder.

**10.1.5** There are no written claims, judgments, or settlements against, or amounts with respect thereto, owed by Gamma relating to (i) the Gamma Patents, or (ii) the Gamma Know-How. To Gamma's knowledge, no written claim or litigation has been brought or threatened by any Person alleging that (a) the Gamma Patents are invalid or unenforceable, or (b) the Gamma Patents, or the Gamma Know-How, or the disclosing, copying, making, assigning, or licensing of the Gamma Patents, or the Gamma Know-How as contemplated by this Agreement violates, infringes, misappropriates or otherwise conflicts or interferes with any intellectual property or proprietary right of any Third Party.

**10.1.6** To Gamma's knowledge, the use of any Denali Background IP (as defined in the Denali License Agreement) disclosed to F-star for the conduct of the Tfr Fcab Discovery Plan will not infringe, misappropriate, misuse, violate or otherwise make use without authorisation of any Third Party intellectual property nor has any person threatened to Gamma in writing to issue such a notice.

**10.2 Representations and Warranties of F-star.** F-star represents and warrants to Gamma, as of the Effective Date as follows:

**10.2.1 Organization.** F-star is a limited liability company duly incorporated and validly existing under the laws of England and Wales. F-star has all requisite power and authority, corporate or otherwise, to execute, deliver and perform its respective obligations under this Agreement.

**10.2.2 Authorization.** The execution and delivery of this Agreement and the performance by F-star of the transactions contemplated hereby have been duly authorized by all necessary corporate action, and do not violate (a) F-star's articles of association or other organizational documents, (b) in any material respect, any agreement, instrument, or contractual obligation to which such F-star is bound, (c) any requirement of any Applicable Law, or (d) any order, writ, judgment, injunction, decree, determination, or award of any court or governmental agency presently in effect applicable to F-star.

- 10.2.3 Binding Agreement.** This Agreement is the legal, valid and binding obligation of F-star enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).
- 10.2.4 No Inconsistent Obligation.** F-star is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement, or that would impede the diligent and complete fulfillment of its obligations hereunder.
- 10.2.5 No Claims.** Except as disclosed by F-star to Gamma in writing in the letter from Licensor to Denali on the Effective Date, there are no written claims, judgments, or settlements against, or amounts with respect thereto, owed by F-star, or to F-star's knowledge by F-star GmbH, F-star Ltd or any of their respective Affiliates, relating to (i) the F-star Patents, or (ii) the F-star Know-How. To F-star's knowledge, no written claim or litigation has been brought or threatened by any Person alleging that (a) the F-star Patents are invalid or unenforceable, or (b) the F-star Patents, or the F-star Know-How, or the disclosing, copying, making, assigning, or licensing of the F-star Patents, or the F-star Know-How as contemplated by this Agreement violates, infringes, misappropriates or otherwise conflicts or interferes with any intellectual property or proprietary right of any Third Party.
- 10.2.6 No Misappropriation.** Except as disclosed by F-star to Gamma in writing in the letter from Licensor to Denali on the Effective Date, to the Knowledge of F-star no Person is infringing or misappropriating (i) the F-star Patents, or (ii) the F-star Know-How.

**10.2.7 F-star In-Licenses.** F-star has provided Gamma with complete and correct copies of all F-star In-Licenses, and there have been no modifications, amendments or restatements other than as provided to Gamma prior to the Effective Date. The F-star In-Licenses are in full force and effect in accordance with their terms. After giving effect to this Agreement, there exist no breaches, defaults or events which would (with the giving of notice, the passage of time or both) give rise to a breach, default or other right to terminate or modify any F-star In-License. F-star has not transferred or granted, and F-star shall not transfer or grant, to any Third Party any license or other interest in the F-star In-Licenses in a manner that would adversely affect any rights of Gamma under this Agreement.

**10.3 DISCLAIMER OF WARRANTIES.** EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NONE OF F-STAR, F-STAR LTD, F-STAR GMBH OR GAMMA OR ANY OF THEIR RESPECTIVE AFFILIATES MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

**10.4 Covenants.**

**10.4.1** During the Term, F-star shall not encumber or adversely affect the rights granted to Gamma hereunder with respect to the F-star IP insofar as it relates to the Exploitation of mAb<sup>2</sup> and Licensed Products in a manner that would adversely affect any rights of Gamma under this Agreement.

**10.4.2** During the Term, all contracts entered into between F-star or its Affiliates, on the one hand, and F-star GmbH or F-star Ltd or any of their respective Affiliates, on the other hand, shall be in writing and shall be on arms' length terms.

**10.5 Gamma Liability After Exercise of Buy-out Option.** On the closing date of Denali's acquisition of Gamma following the exercise of the Buy-out Option, any liabilities that Gamma may have created under this Agreement prior to such closing shall be discharged and fully released, provided that only liabilities arising after the date of such acquisition shall accrue to Gamma. By way of examples, (a) if prior to such acquisition Gamma has breached its payment obligations to F-star under this Agreement (other than as a result of Denali failing to pay such corresponding amounts under the Denali License Agreement) or Gamma has breached its confidentiality obligations to F-star under this Agreement, such breaches shall be discharged and released, and (b) if prior to such acquisition Gamma has incurred any indemnity or other liabilities under this Agreement, then on the date of acquisition such indemnity or other liabilities will be discharged and released; provided always that any liability intended to arise after such acquisition (for example the obligation to pay for Services provided under the Gamma Support Services Agreement between the Parties after such acquisition and the obligation to make payments under Section 7.5.2 shall continue).

**ARTICLE 11**  
**INDEMNITY**

**11.1 Indemnification of F-star.** Gamma shall indemnify F-star, its Affiliates and their respective directors, officers, employees, and agents (the “**F-star Indemnitees**”) and defend and save each of them harmless, from and against any and all losses, damages, liabilities, penalties, costs, and expenses (including reasonable attorneys’ fees and expenses) (collectively, “**Losses**”) in connection with any and all suits, investigations, claims, or demands of Third Parties (collectively, “**Third Party Claims**”) incurred by or rendered against the F-star Indemnitees arising from or occurring as a result of:

- (a) the Exploitation of mAb<sup>2</sup> or Licensed Products by or for Gamma or any of its Affiliates, Sublicensees, subcontractors, agents and consultants, on a mAb<sup>2</sup>-by-mAb<sup>2</sup> basis during the Term;
- (b) the breach by Gamma or its Affiliates of this Agreement; or
- (c) the gross negligence or willful misconduct on the part of Gamma or its Affiliates or their respective directors, officers, employees, and agents in performing its or their obligations under this Agreement; or
- (d) on an Accepted Fcab Target-by-Accepted Fcab Target basis, the infringement by F-star of any Third Party Patents or Know-How relating to the Accepted Fcab Target, solely to the extent (i) such infringement arose from F-star’s conduct of services on behalf of Gamma (and not any subsequent research, development or Commercialization of a Fcab to such Accepted Fcab Target by F-star or any product incorporating any such Fcab), and (ii) Gamma (or in the case that the services are conducted pursuant to the Denali License Agreement, Denali) knew of such Third Party Patents or Know-How at the time the scope of the services were agreed between F-star and Gamma.

except for those Losses for which F-star, in whole or in part, has an obligation to indemnify Gamma pursuant to Section 11.2 hereof, as to which Losses each Party shall indemnify the other to the extent of their respective liability for such Losses.

**11.2 Indemnification of Gamma.** F-star shall indemnify Gamma, its Affiliates and its and their respective directors, officers, employees, and agents (the “**Gamma Indemnitees**”), and defend and save each of them harmless, from and against any and all Losses in connection with any and all Third Party Claims incurred by or rendered against the Gamma Indemnitees arising from or occurring as a result of:

- (a) F-star’s (or its Affiliates’ or Sublicensees’) use or practice of any F-star IP;
- (b) the breach by F-star or its Affiliates of this Agreement; or
- (c) the gross negligence or willful misconduct on the part of F-star or its Affiliates or its or their respective directors, officers, employees, and agents in performing its obligations under this Agreement;

except for those Losses for which Gamma has an obligation to indemnify F-star pursuant to Section 11.1 hereof, as to which Losses each Party shall indemnify the other to the extent of their respective liability for the Losses.

**11.3 Notice of Claim.** All indemnification claims in respect of a Party, F-star Ltd, F-star GmbH, and its and their respective Affiliates, or their respective directors, officers, employees and agents shall be made solely by such Party to this Agreement (the “**Indemnified Party**”). The Indemnified Party shall give the indemnifying Party prompt written notice (an “**Indemnification Claim Notice**”) of any Losses or discovery of fact upon which such Indemnified Party intends to base a request for indemnification under this ARTICLE 11, but in no event shall the indemnifying Party be liable for any Losses that result from any delay in providing such notice. Each Indemnification Claim Notice must contain a description of the claim and the nature and amount of such Loss (to the extent that the nature and amount of such Loss is known at such time). The Indemnified Party shall furnish promptly to the indemnifying Party copies of all papers and official documents received in respect of any Losses and Third Party Claims.

## 11.4 Control of Defense.

**11.4.1 In General.** At its option, the indemnifying Party may assume the defense of any Third Party Claim by giving written notice to the Indemnified Party within thirty (30) days after the indemnifying Party's receipt of an Indemnification Claim Notice. The assumption of the defense of a Third Party Claim by the indemnifying Party shall not be construed as an acknowledgment that the indemnifying Party is liable to indemnify the Indemnified Party in respect of the Third Party Claim, nor shall it constitute a waiver by the indemnifying party of any defenses it may assert against the Indemnified Party's claim for indemnification. Upon assuming the defense of a Third Party Claim, the indemnifying Party may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the indemnifying Party which shall be reasonably acceptable to the Indemnified Party. In the event the indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall immediately deliver to the indemnifying Party all original notices and documents (including court papers) received by the Indemnified Party in connection with the Third Party Claim. Should the indemnifying Party assume the defense of a Third Party Claim, except as provided in Section 11.4.2, the indemnifying Party shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by such Indemnified Party in connection with the analysis, defense or settlement of the Third Party Claim unless specifically requested in writing by the indemnifying Party. In the event that it is ultimately determined that the indemnifying Party is not obligated to indemnify, defend or hold harmless the Indemnified Party from and against the Third Party Claim, the Indemnified Party shall reimburse the indemnifying Party for any Losses incurred by the indemnifying Party in its defense of the Third Party Claim.



**11.4.2 Right to Participate in Defense.** Without limiting Section 11.4.1, any Indemnified Party shall be entitled to participate in, but not control, the defense of such Third Party Claim and to employ counsel of its choice for such purpose; *provided*, that such employment shall be at the Indemnified Party's own expense unless (a) the employment thereof, and the assumption by the indemnifying party of such expense, has been specifically authorized by the indemnifying Party in writing, (b) the indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 11.4.1 (in which case the Indemnified Party shall control the defense), or (c) the interests of the Indemnified Party and the indemnifying Party with respect to such Third Party Claim are sufficiently adverse to prohibit the representation by the same counsel of both Parties under Applicable Law, ethical rules or equitable principles.

**11.4.3 Settlement.** With respect to any Losses relating solely to the payment of money damages in connection with a Third Party Claim and that shall not result in the Indemnified Party's becoming subject to injunctive or other relief or otherwise adversely affecting the business of the Indemnified Party in any manner, and as to which the indemnifying Party shall have acknowledged in writing the obligation to indemnify the Indemnified Party hereunder, the indemnifying Party shall have the sole right to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Loss, on such terms as the indemnifying Party, in its sole discretion, shall deem appropriate. With respect to all other Losses in connection with Third Party Claims, where the indemnifying Party has assumed the defense of the Third Party Claim in accordance with Section 11.4.1, the indemnifying Party shall have authority to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Loss; *provided*, that it obtains the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed). If the indemnifying Party does not assume and conduct the defense of a Third Party Claim as provided above, the Indemnified Party may defend against such Third Party Claim. Regardless of whether the indemnifying Party chooses to defend or prosecute any Third Party Claim, no Indemnified Party shall admit any liability with respect

to, or settle, compromise or dispose of, any Third Party Claim without the prior written consent of the indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed. The indemnifying Party shall not be liable for any settlement, compromise or other disposition of a Loss by an Indemnified Party that is reached without the written consent of the indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed.

**11.4.4 Cooperation.** Regardless of whether the indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party shall, and shall cause each indemnitee to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the indemnifying party to, and reasonable retention by the Indemnified Party of, records and information that are reasonably relevant to such Third Party Claim, and making Indemnified Parties and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the indemnifying Party shall reimburse the Indemnified Party for all its reasonable out-of-pocket expenses in connection therewith.

**11.4.5 Expenses.** Except as provided above, the reasonable and verifiable costs and expenses, including fees and disbursements of counsel, incurred by the Indemnified Party in connection with any Third Party Claim shall be reimbursed on a Calendar Quarter basis in arrears by the indemnifying Party, without prejudice to the indemnifying Party's right to contest the Indemnified Party's right to indemnification and subject to refund in the event the indemnifying Party is ultimately held not to be obligated to indemnify the Indemnified Party.

**11.4.6 Special, Indirect, and Other Losses.** EXCEPT TO THE EXTENT ANY SUCH DAMAGES ARE REQUIRED TO BE PAID TO A THIRD PARTY AS PART OF A CLAIM FOR WHICH A PARTY PROVIDES INDEMNIFICATION UNDER THIS ARTICLE 11, NEITHER PARTY NOR ANY OF THEIR AFFILIATES SHALL BE LIABLE FOR ANY LOSS OF PROFITS OR BUSINESS INTERRUPTION OR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE IN CONNECTION WITH OR ARISING IN ANY WAY OUT OF THE TERMS OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE USE OF THE LICENSED COMPOUND OR LICENSED PRODUCT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

**11.4.7 Insurance.** Each Party shall obtain and carry in full force and effect the minimum insurance requirements set forth herein. The types of insurance, and minimum limits shall be: General Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate. General Liability Insurance shall include, at a minimum, beginning at least thirty (30) days prior to first commercial sale of a Licensed Product, product liability insurance.

**11.4.8 Certificates of Insurance.** Upon request by a Party, the other Party shall provide certificates of insurance evidencing compliance with this Section. The insurance policies shall be under an occurrence form, but if only a claims-made form is available to a Party, then such Party shall continue to maintain such insurance after the expiration or termination of this Agreement for the longer of (a) a period of five (5) years following termination or expiration of this Agreement in its entirety, or (b) with respect to a particular Party, last sale of a Licensed Product (or but for expiration or termination, would be considered a Licensed Product) sold under this Agreement by a Party.

**ARTICLE 12**  
**TERM AND TERMINATION**

- 12.1 Term.** This Agreement shall commence on the Effective Date and, unless earlier terminated in accordance herewith, shall continue in force and effect until the earlier of the date on which Gamma has no further payment obligations to F-star hereunder.
- 12.2 Effect of Expiration of the Term.** Following the expiration of the Term pursuant to Section 12.1, the grants in Sections 6.1, shall become exclusive, fully-paid, royalty-free and irrevocable.
- 12.3 Termination for Material Breach.** If either Party (the “**Non-Breaching Party**”) believes that the other Party (the “**Breaching Party**”) has materially breached one (1) or more of its material obligations under this Agreement, then the Non-Breaching Party may deliver notice of such material breach to the Breaching Party (a “**Default Notice**”). If the Breaching Party fails to cure such breach within [\*\*\*] after receipt of the Default Notice the Non-Breaching Party may terminate this Agreement to the extent that it relates to the Accepted Fcab Target to which the breach relates, upon written notice to the Breaching Party. In the event that Denali acquires Gamma this Section 12.3 shall no longer apply and F-star shall not have the right to terminate this Agreement under this Section 12.3.
- 12.4 Termination for Convenience.** Gamma may terminate this Agreement in its entirety, or on an Accepted Fcab Target-by-Accepted Fcab Target basis, for any or no reason, upon [\*\*\*] prior written notice to F-star.

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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**12.5 Termination by F-star for Patent Challenge.** F-star will have the right to terminate this Agreement in full upon written notice to Gamma in the event that Gamma or any of its Affiliates or Sublicensees directly assert in its own respective name or directs a Third Party to assert a Patent Challenge; provided that with respect to any such Patent Challenge by any non-Affiliate Sublicensee, F-star will not have the right to terminate this Agreement under this Section 12.5 if, within [\*\*\*] of F-star's notice to Gamma under this Section 12.5, Gamma (a) causes such Patent Challenge to be terminated or dismissed or (b) terminates the sublicense granted to such non-Affiliate Sublicensee. For purposes hereof, "**Patent Challenge**" means any challenge in a legal or administrative proceeding to the patentability, validity, ownership or enforceability of any of the F-star Patents (or any claim thereof), including by: (i) filing or pursuing a declaratory judgment action in which any of the F-star Patents or Platform Patents is alleged to be invalid or unenforceable; (ii) citing prior art against any of the F-star Patents or Platform Patents (other than art required to be cited by Applicable Law, including under a duty of candor to a Patent office), filing a request for or pursuing a re-examination of any of the F-star Patents or Platform Patents (other than with F-star's written agreement), or becoming a party to or pursuing an interference; or (iii) filing or pursuing any opposition, cancellation, nullity or other like proceedings against any of the F-star Patents or Platform Patents; but excluding any challenge raised as a defense or counterclaim against a claim, action or proceeding asserted by F-star or its Affiliates against Gamma or its Affiliates or Sublicensees.

**12.6 Rights in Bankruptcy.**

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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**12.6.1 Applicability of 11 U.S.C. § 365(n).** All rights and licenses (collectively, the “**Intellectual Property**”) granted under or pursuant to this Agreement, including all rights and licenses to use improvements or enhancements developed during the Term, are intended to be, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the “**Bankruptcy Code**”) or any analogous provisions in any other country or jurisdiction, licenses of rights to “intellectual property” as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that the licensee of such Intellectual Property under this Agreement shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code, including Section 365(n) of the Bankruptcy Code, or any analogous provisions in any other country or jurisdiction. All of the rights granted to either Party under this Agreement shall be deemed to exist immediately before the occurrence of any bankruptcy case in which the other Party is the debtor.

**12.6.2 Rights of Non-Debtor Party in Bankruptcy.** If a bankruptcy proceeding is commenced by or against either Party under the Bankruptcy Code or any analogous provisions in any other country or jurisdiction, the non-debtor Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any Intellectual Property and all embodiments of such Intellectual Property, which, if not already in the non-debtor Party’s possession, shall be delivered to the non-debtor Party within five (5) Business Days of such request; *provided*, that the debtor Party is excused from its obligation to deliver the Intellectual Property to the extent the debtor Party continues to perform all of its obligations under this Agreement and the Agreement has not been rejected pursuant to the Bankruptcy Code or any analogous provision in any other country or jurisdiction.

**12.7 Effects of Termination by Gamma without cause or by F-star with cause.** In the event of termination of this Agreement in its entirety or on an Accepted Fcab Target-by-Accepted Fcab Target basis by Gamma pursuant to Section 12.4 or by F-star pursuant to Section 12.3 or Section 12.5, the following terms and conditions will apply, provided, however, that if the termination relates only to a particular Accepted Fcab Target basis (a “**Terminated Target**”), then the following provisions will only apply with respect to such Terminated Target:

- (a) Except as may otherwise be agreed in writing by the Parties Gamma will be responsible at its own expense for an orderly wind-down, in accordance with accepted pharmaceutical industry norms and ethical practices, of any then ongoing Clinical Studies of any mAb<sup>2</sup> or Licensed Products with respect to a Terminated Target for which it has responsibility;
- (b) All rights and licenses granted by F-star relating to the Terminated Target and any corresponding mAb<sup>2</sup> or Licensed Products hereunder shall immediately terminate. Except as expressly set forth in this ARTICLE 12, (i) Gamma and its Affiliates and Sublicensees will have no further rights to use any F-star IP to Exploit any mAb<sup>2</sup> or Licensed Products for which this Agreement has been terminated; (ii) with respect to any mAb<sup>2</sup> or Licensed Product that was the subject of a termination of this Agreement Gamma shall continue to pay any milestone payments that may accrue under Sections 7.2 or 7.5 with respect to such mAb<sup>2</sup> or Licensed Product and will pay any royalty that may accrue under Section 7.2 with respect to such mAb<sup>2</sup> or Licensed Product until expiration of the Royalty Term;

- (c) Where the termination has been by F-star pursuant to Section 12.3 then Gamma shall not be entitled to nominate an Accepted Fcab Target to replace the relevant Terminated Targets that were the subject of the termination and in the event that any Terminated Target is an Accepted Fcab Target then the number of Accepted Fcab Target that may be selected by Gamma pursuant to Section 3.1 shall be reduced by the number of Accepted Fcab Targets that are Terminated Targets;
- (d) The obligations under ARTICLE 5 shall immediately terminate with respect to the relevant Terminated Target and any mAb<sup>2</sup> or Licensed Products for which this Agreement has been terminated;
- (e) Notwithstanding anything herein to the contrary, that all rights and licenses granted or to be granted by Gamma pursuant to Section 6.2.1 or this Section 12.7 shall survive in full force and effect;
- (f) Except as set forth in ARTICLE 9, each Party shall return or cause to be returned to the other Party all Confidential Information and all substances or compositions of the other Party or its Affiliates delivered or provided by or on behalf of such other Party, as well as any other material provided by or on behalf of such other Party in any medium, in connection with such Terminated Target;
- (g) Gamma (for itself and its Affiliates) shall grant to F-star (without any further action required on the part of Gamma) the following licenses, except in the case that Denali has acquired Gamma, in which case Gamma shall not grant the following licenses:
  - (i) a non-exclusive, royalty-free, fully paid up, irrevocable and perpetual license, with the right to grant sublicenses through multiple tiers (subject to Section 6.3, mutatis mutandis), under Gamma Know-How solely to the extent disclosed in writing to



F-star during the Term and reasonably necessary to Exploit, and for the sole purpose of Exploiting, any mAb2 which does not contain a Gamma Proprietary Fab (an “Available mAb2”) for the Terminated Target in the Field in the Territory where a “Gamma Proprietary Fab” is a Fab where the composition of matter of the Fab sequence is claimed in a Patent Controlled by Gamma or a Fab sequence which is, at the relevant time, the Confidential Information of Gamma.

- (ii) an non-exclusive, royalty-free, fully paid up, irrevocable and perpetual license, with the right to grant sublicenses through multiple tiers (subject to Section 6.3, mutatis mutandis), under Gamma Patents in the Field in the Territory solely to the extent (A) any claims of such Gamma Patents claim or cover the combination of the Gamma Fcab and the relevant Terminated Target, and (B) such claims are reasonably necessary to Exploit, and for the sole purpose of Exploiting, any Available mAb2 for the Terminated Target, in the Field in the Territory; and

**12.7.2** In the event that Gamma or any of its Affiliates wishes to cease the prosecution or maintenance of any Patents within such Gamma IP in any of the [\*\*\*], [\*\*\*], [\*\*\*], [\*\*\*], [\*\*\*], [\*\*\*] or the [\*\*\*], Gamma shall promptly notify F-star in writing of such decision to enable F-star [\*\*\*] to continue such prosecution or maintenance and at the request of F-star assign [\*\*\*] such Patents to F-star [\*\*\*]; provided that the foregoing shall not apply in the case that Denali has acquired Gamma.

**12.8 Effects of Termination by Gamma with cause.** In the event of a termination of this Agreement in its entirety or on an Accepted Fcab Target-by-Accepted Fcab Target basis by Gamma pursuant to Section 12.3, the following terms and conditions will apply, provided, however, that if the termination relates only to a Terminated Target, then the following provisions will only apply with respect to such Terminated Target:

- (a) All rights and licenses granted by F-star relating to the mAb<sup>2</sup> or Licensed Products with respect to a Terminated Target hereunder shall immediately terminate. Except as expressly set forth in this ARTICLE 12, Gamma and its Affiliates and Sublicensees will have no further rights to use any F-star IP or Platform IP to Exploit any mAb<sup>2</sup> or Licensed Products for which this Agreement has been terminated;
- (b) The obligations under ARTICLE 5 shall immediately terminate with respect to the Terminated Target and the corresponding mAb<sup>2</sup> or Licensed Products for which this Agreement has been terminated; and

**12.9 Remedies.** Except as otherwise expressly provided herein, termination of this Agreement in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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**12.10 Accrued Rights; Surviving Obligations.**

**12.10.1** Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration, including any amounts due under ARTICLE 7. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement. Without limiting the foregoing, the following Sections shall survive such termination or expiration Sections 5.3, 6.2, 6.3, 6.4, 6.5, 6.8, 6.9, 6.11, 7.5.2, 10.5, 12.2, 12.7, 12.8, 12.9, 12.10, 13.3, 13.5, 13.6, 13.7, 13.10, 13.11 and ARTICLE 11 and ARTICLE 9.

**12.10.2** Notwithstanding the termination of Gamma's licenses and other rights under this Agreement, Gamma shall have the right for one (1) year after the effective date of such termination to sell or otherwise dispose of all mAb<sup>2</sup> or Licensed Product then in its inventory, as though this Agreement had not terminated, and such sale or disposition shall not constitute infringement of F-star's or its Affiliates' Patent or other intellectual property or other proprietary rights. For purposes of clarity, Gamma shall continue to make payments thereon as provided in ARTICLE 7 (as if this Agreement had not terminated).

**ARTICLE 13**  
**MISCELLANEOUS**

**13.1 Force Majeure.** Neither Party shall be held liable or responsible to the other Party or be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from events beyond the reasonable control of the non-performing Party, including fires, floods, earthquakes, hurricanes, embargoes, shortages, epidemics, quarantines, war, acts of war (whether war be declared or not), terrorist acts, insurrections, riots, civil commotion, strikes, lockouts, or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), acts of God or acts, omissions or delays in acting by any governmental authority (except to the extent such delay results from the breach by the non-performing Party or any of its Affiliates of any term or condition of this Agreement). The non-performing Party shall notify the other Party of such force majeure within [\*\*\*] after such occurrence by giving written notice to the other Party stating the nature of the event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use Commercially Reasonable Efforts to remedy its inability to perform.

**13.2 Export Control.** This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States or other countries that may be imposed on the Parties from time to time. Each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity in accordance with Applicable Law.

**13.3 Assignment.**

**13.3.1** Without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed, no Party shall sell, transfer,

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assign, delegate, pledge, or otherwise dispose of, whether voluntarily, involuntarily, by operation of law or otherwise, this Agreement or any of its rights or duties hereunder; *provided*, that a Party may make such an assignment without the other Party's consent to (a) [\*\*\*], or (b) [\*\*\*]. With respect to an assignment to [\*\*\*] the assigning Party shall [\*\*\*]. Any attempted assignment or delegation in violation of this Section 13.3 shall be void and of no effect. All validly assigned and delegated rights and obligations of the Parties hereunder shall be binding upon and inure to the benefit of and be enforceable by and against the successors and permitted assigns of F-star or Gamma, as the case may be. The permitted assignee or transferee shall assume all obligations of its assignor or transferor under this Agreement. Without limiting the foregoing, the grant of rights set forth in this Agreement shall be binding upon any successor or permitted assignee of F-star, and the obligations of Gamma, including the payment obligations, shall run in favor of any such successor or permitted assignee of F-star's benefits under this Agreement.

**13.3.2** Notwithstanding anything to the contrary herein, in the event of the acquisition of a controlling (as such term is used in the definition of Affiliate) interest in F-star or F-star GmbH or Gamma the acquirer of such Person shall not be considered to be an Affiliate of such Person for the purposes of this Agreement including for the purposes of the definition Control in respect of the intellectual property of the Parties and ARTICLE 5. For clarity, any Know-How, Patents or other intellectual property rights or other assets owned or Controlled by an acquirer or its Affiliates before such an acquisition of such Person or which were subsequently generated by the acquirer, or an Affiliate of the acquirer which is not F-star or an Affiliate of F-star immediately prior to the acquisition, will not be Controlled by such Person after such change in Control for purposes of this Agreement or subject to Section 5.1, except to the extent that F-star or F-star GmbH or any of their respective Affiliates owned or Controlled such Know-How, Patents or other intellectual property rights or other assets before such acquisition.

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**13.4 Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom, and (d) in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and reasonably acceptable to the Parties. To the fullest extent permitted by Applicable Law, each Party hereby waives any provision of law that would render any provision hereof illegal, invalid, or unenforceable in any respect.

**13.5 Governing Law, Jurisdiction and Service.**

**13.5.1 Governing Law.** This Agreement or the performance, enforcement, breach or termination hereof shall be interpreted, governed by and construed in accordance with the laws of England, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction; *provided*, that all questions concerning the construction or effect of Patents shall be determined in accordance with the laws of the country or other jurisdiction in which the particular Patent has been filed or granted, as the case may be. The Parties agree to exclude the application to this Agreement of the United Nations Convention on Contracts for the International Sale of Goods.

**13.5.2 Service.** Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 13.7.2 shall be effective service of process for any action, suit, or proceeding brought against it under this Agreement in any such court.

**13.6 Dispute Resolution.** Except for disputes resolved by the procedures set forth in Section 7.15, if a dispute arises between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith (a “**Dispute**”), it shall be resolved pursuant to this Section 13.6.

**13.6.1 General.** Any Dispute shall first be referred to the Senior Officers of the Parties, who shall confer in good faith on the resolution of the issue. Any final decision mutually agreed to by the Senior Officers shall be conclusive and binding on the Parties. If the Senior Officers are not able to agree on the resolution of any such issue within [\*\*\*] (or such other period of time as mutually agreed by the Senior Officers) after such issue was first referred to them, then, except as otherwise set forth in Section 13.6.2, either Party may, by written notice to the other Party, elect to initiate arbitration proceedings pursuant to the procedures set forth in Section 13.6.3 for purposes of having the matter settled.

**13.6.2 Intellectual Property Disputes.** In the event that a Dispute arises with respect the validity, scope, enforceability, inventorship or ownership of any Patent, trademark or other intellectual property rights, and such Dispute cannot be resolved in accordance with Section 13.6.1, and, unless otherwise agreed by the Parties in writing, such Dispute shall not be submitted to arbitration in accordance with Section 13.6.3 and instead, either Party may initiate litigation in a court of competent jurisdiction, notwithstanding Section 13.5, in any country or other jurisdiction in which such rights apply.

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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**13.6.3** **Arbitration.** Should the informal resolution mechanism of Section 13.6.1 prove unsuccessful within the allotted period, then the Parties shall submit their dispute to binding arbitration before [\*\*\*]. Each Party shall appoint one arbitrator who at their turn shall nominate the chairperson, who shall be qualified in [\*\*\*]. If a Party does not appoint its arbitrator within [\*\*\*] following the expiry of the allotted period, then such arbitrator shall be selected in accordance with the then current rules of the [\*\*\*]. Any arbitrator so selected shall have substantial experience in the pharmaceutical industry. The arbitration shall be conducted, and all documents submitted to the arbitrators shall be, in English. The arbitrators shall have the power to include an award of attorneys' fees and costs to the prevailing Party, but shall have no power to award punitive, special, incidental or consequential damages. The arbitrator's decision and award shall be final and binding upon all Parties. Subject to any award that the arbitrators may make, each Party shall bear its own costs for its counsel and other expenses, and the Parties shall equally share the costs of the arbitration. Judgment upon the award rendered by arbitration may be issued and enforced by any court having competent jurisdiction.

**13.6.4** **Interim Relief.** Notwithstanding anything herein to the contrary, nothing in this Section 13.6 shall preclude either Party from seeking interim or provisional relief, including a temporary restraining order, preliminary injunction or other interim equitable relief concerning a Dispute following the ADR procedures set forth in Section 13.6.3, if necessary to protect the interests of such Party. This Section shall be specifically enforceable.



## 13.7 Notices.

**13.7.1 Notice Requirements.** Any notice, request, demand, waiver, consent, approval, or other communication permitted or required under this Agreement shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if (a) delivered by hand or (b) sent by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 13.7.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party in accordance with this Section 13.7.1. Such notice shall be deemed to have been given as of the date delivered by hand or on the second Business Day (at the place of delivery) after deposit with an internationally recognized overnight delivery service. This Section 13.7.1 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

### 13.7.2 Address for Notice.

If to F-star to:  
F-star Biotechnology Ltd.  
Eddeva B920 Babraham Research Campus  
Cambridge, CB22 3AT  
UK  
Attention: Chief Business Officer and cc: Head of IP

If to Gamma to:

F-star Gamma Ltd.  
Eddeva B920 Babraham Research Campus  
Cambridge, CB22 3AT  
UK  
Attention: Chief Business Officer and cc: Head of IP

with a copy (which shall not constitute notice) to:

Cooley LLP  
Dashwood  
69 Old Broad Street  
London EC2M 1QS  
Attention: John Wilkinson

**13.8 Entire Agreement; Amendments.** This Agreement, together with the Denali License Agreement and the Gamma Support Services Agreement and Schedules attached hereto, sets forth and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and all prior agreements, understandings, promises, and representations, whether written or oral, with respect thereto are superseded hereby (including that certain Confidential Disclosure Agreement between Denali and F-star Ltd dated December 18, 2015; provided that (a) all “Confidential Information” disclosed or received thereunder will be deemed “Confidential Information” hereunder and will be subject to the terms and conditions of this Agreement, and (b) all rights and obligations under such agreement will otherwise continue in full force and effect as provided therein). Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth in this Agreement. No amendment, modification, release, or discharge shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.

**13.9 English Language.** This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

**13.10 Waiver and Non-Exclusion of Remedies.** Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party hereto of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Applicable Law or otherwise available except as expressly set forth herein.

**13.11 No Benefit to Third Parties.** Except as provided in ARTICLE 11, covenants and agreements set forth in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

**13.12 Further Assurance.** Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

**13.13 Relationship of the Parties.** It is expressly agreed that F-star, on the one hand, and Gamma, on the other hand, shall be independent contractors and that the relationship between the Parties shall not constitute a partnership, joint venture, or agency, including for tax purposes. Neither F-star, on the one hand, nor Gamma, on the other hand, shall have the authority to make any statements, representations, or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other Party to do so. All persons employed by a Party shall be employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

**13.14 Counterparts; Facsimile Execution.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. This Agreement may be executed by facsimile or electronically transmitted signatures and such signatures shall be deemed to bind each Party hereto as if they were original signatures.

[SIGNATURE PAGES FOLLOW.]

THIS AGREEMENT IS EXECUTED by the authorized representatives of the Parties as of the Effective Date.

**F-STAR BIOTECHNOLOGY LIMITED**

By: /s/ Jane Dancer

Name: Jane Dancer

Title: CBO

**F-STAR GAMMA LIMITED**

By: /s/ Tolga Hassan

Name: Tolga Hassan

Title: CFO + Co. Sec.

**Schedule 1.12**

**Buy-out Option Agreement**

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**Schedule 1.44**

**F-star Patents**

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. \*\*\* indicates that text has been omitted and is the subject of a confidential treatment request.

**SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT FOR THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [\*\*\*]**

**DATED**

**30 May 2018**

**DENALI THERAPEUTICS INC. (1)**

**THE SELLERS (2)**

**and**

**SHAREHOLDER REPRESENTATIVE SERVICES LLC (as the Sellers' Representative) (3)**

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**SHARE PURCHASE AGREEMENT**

relating to the entire issued share capital of

**F-STAR GAMMA LIMITED**

---

**Cooley**

COOLEY (UK) LLP, DASHWOOD, 69 OLD BROAD STREET, LONDON EC2M 1QS, UK  
T: +44 (0) 20 7583 4055 F: +44 (0) 20 7785 9355 WWW.COOLEY.COM

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## **Agreed Form Documents**

1. Disclosure Letter
2. Escrow Agreement
3. Loan Notes Instrument
4. Press Release

**THIS SHARE PURCHASE AGREEMENT** is executed and delivered as a **DEED** on 30 May 2018

**BETWEEN:**

- (1) **THE PERSONS**, whose names and addresses are set out in Schedule 1 (the “**Sellers**”);
- (2) **DENALI THERAPEUTICS INC.**, a corporation organised and existing under the laws of the State of Delaware, United States, having its principal place of business at 201 Gateway Boulevard, South San Francisco, California, United States (the “**Buyer**”); and
- (3) **SHAREHOLDER REPRESENTATIVE SERVICES LLC**, a Colorado limited liability company and which is a party to this Agreement solely in its capacity as representative of the Sellers (the “**Sellers’ Representative**”).

**WHEREAS:**

- (A) The Company is a private limited liability company incorporated under the laws of England and Wales and engaged in the delivery of therapeutics across the blood brain barrier.
- (B) As at the date of this Agreement, the Sellers own the Shares that constitute the entire issued share capital of the Company. The Sellers have agreed to sell to the Buyer, and the Buyer has agreed to purchase and accept, the Shares on the terms of this Agreement.

**IT IS AGREED** as follows:

## 1. INTERPRETATION

### 1.1. Definitions

In this Agreement:

<b>“Accepted Fcab Target”</b>	is defined in Schedule 5 ( <i>Contingent Consideration</i> );
<b>“Accounting Policies”</b>	means the accounting policies and procedures set out in Part C of Schedule 4 ( <i>Accounting Policies</i> );
<b>“Accounts”</b>	means the Company’s individual accounts (as that term is used in sections 394 and 395 of the Companies Act) and cash flow statement for the financial year ended on the Last Accounting Date, the auditors’ report on those accounts, the directors’ report for that year and the notes to those accounts;
<b>“Actual Net Cash”</b>	has the meaning given to it in Schedule 4.
<b>“ADR”</b>	has the meaning given to it in clause 23.2;
<b>“Affiliate”</b>	means, with respect to a party, any Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, “control” and, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with” means (a) the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise; or (b) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a Person (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity). The parties acknowledge that in the case of certain entities organized under the laws of certain countries outside of the United States, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such case such lower percentage shall be substituted in the preceding sentence, provided that such foreign investor has the power to direct the management or policies of such entity. “Affiliates” shall be construed accordingly;
<b>“Business Day”</b>	means a day (other than a Saturday or Sunday) on which banks generally are open for business in London, UK;
<b>“Business Warranty”</b>	means [***];
<b>“Business Warranty Claim”</b>	means a claim by the Buyer for breach of a Business Warranty;

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<b>“Buyer’s Account”</b>	means the bank account notified by the Buyer to the Sellers’ Representative from time to time;
<b>“Buyer’s Group”</b>	means the Buyer and the Buyer’s Group Undertakings;
<b>“Buyer’s Group Undertaking”</b>	means the Buyer or an undertaking which is a subsidiary undertaking or parent undertaking of the Buyer or a subsidiary undertaking of a parent undertaking of the Buyer and, for the avoidance of doubt, includes the Company from Completion, and <b>“Buyer’s Group Undertakings”</b> shall be construed accordingly;
<b>“Cash”</b>	means the aggregate of all cash held by the Company immediately following Completion, but excluding the Pass Through Amount;
<b>“Cash Sellers”</b>	means each of the Sellers other than the Loan Note Sellers;
<b>“Claim”</b>	means any Business Warranty Claim, Tax Warranty Claim, Special Indemnity Claim (including any Fraud Claim), Warrantor Fundamental Warranty Claim and/or Fundamental Warranty Claim, and <b>“Claims”</b> means any two or more of them;
<b>“Company”</b>	means F-star Gamma Limited, a private limited company incorporated under the laws of England and Wales under company number 10214672, having its registered office at Eddeva B920, Babraham Research Campus, Cambridge CB22 3AT;
<b>“Company Confidential Information”</b>	means any Information or data relating to any Fcab or mAb2 Product, any Exploitation of any Fcab or mAb2 Product, any Know-How with respect thereto developed by or on behalf of Company or its Affiliates, or the scientific, regulatory or business affairs or other activities of the Company;
<b>“Completion”</b>	means completion of the sale and transfer of the Shares to the Buyer in accordance with the terms of this Agreement;
<b>“Completion Accounts”</b>	means the Draft Completion Accounts which have been agreed or determined in accordance with Part A of Schedule 4 ( <i>Preparation of Completion Accounts</i> );
<b>“Completion Date”</b>	means the date on which Completion occurs;
<b>“Contingent Consideration”</b>	has the meaning given to it in paragraph 1 of Part A of Schedule 5 ( <i>Contingent Consideration</i> );
<b>“Contingent Consideration Loan Notes”</b>	means the loan notes which may become issuable by the Buyer to certain of the Sellers following Completion pursuant to clause 3.5 and/or paragraph 2.3 of Schedule 5 ( <i>Contingent Consideration</i> ), to be constituted by the Loan Notes Instrument;
<b>“control”</b>	has the meaning given to it in section 1124 of the Corporation Tax Act 2010 and <b>“controlling”</b> shall be construed accordingly;

“ <b>Declared Distributions</b> ”	means all dividends and other distributions resolved or declared to be paid or made, by the Company in respect of the Shares by reference to a record date which falls on or before Completion;
“ <b>Defaulting Party</b> ”	has the meaning given to it in clause 5.4;
[***]	has the meaning given to it in the definition of “ <b>Initial Amount</b> ”;
“ <b>Denali Fcab Notice</b> ”	has the meaning given to it in the License Agreement;
[***]	has the meaning given to it in the definition of “ <b>Initial Amount</b> ”;
“ <b>Determination Date</b> ”	means the date on which the Completion Accounts are agreed or determined in accordance with the provisions of Part A of Schedule 4 ( <i>Preparation of Completion Accounts</i> );
“ <b>Develop</b> ” or “ <b>Development</b> ”	has the meaning given to it in the License Agreement;
“ <b>Disclosure Documents</b> ”	means the documents attached to the Disclosure Letter;
“ <b>Disclosure Letter</b> ”	means the letter from the Warrantors to the Buyer in relation to the Warranties and including the Disclosure Documents having the same date as this Agreement, the receipt of which has been acknowledged by the Buyer;
“ <b>Dispute</b> ”	has the meaning given to it in clause 23.1;
“ <b>Disputed Business Warranty Claim</b> ”	means any Business Warranty Claim that is not yet a Settled Business Warranty Claim, and “ <b>Disputed Business Warranty Claims</b> ” shall be construed accordingly;
“ <b>Draft Completion Accounts</b> ”	means a statement of assets and liabilities for the Company as at the Effective Time, in the form and with the line items set out in Part B of Schedule 4 ( <i>Completion Accounts</i> ) and which has been prepared in accordance with Part A of Schedule 4 ( <i>Preparation of Completion Accounts</i> );
“ <b>Effective Time</b> ”	means 5 p.m. (London time) on the Completion Date;
“ <b>Encumbrance</b> ”	means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect, including any such right or interest arising at Completion or otherwise in connection with this Agreement, and “ <b>Encumbrances</b> ” shall be construed accordingly;
“ <b>Escrow Account</b> ”	means the separately designated interest bearing US dollar deposit account with SunTrust Bank opened by the Escrow Agent and operated in accordance with the Escrow Agreement into which payment of the Escrow Amount will be made by the Buyer at Completion;

“ <b>Escrow Agent</b> ”	means SunTrust Bank to be appointed pursuant to the Escrow Agreement;
“ <b>Escrow Agreement</b> ”	means the agreement in the agreed form between the Buyer, the Sellers’ Representative and the Escrow Agent in relation to the Escrow Account;
“ <b>Escrow Amount</b> ”	means [***];
“ <b>Estimated Net Cash</b> ”	means such amount in US dollars as is notified in writing by the Sellers to the Buyer no later than 10 Business Days prior to the Completion Date that is the good faith estimate by the Sellers of the Net Cash as at the Effective Time;
“ <b>Exercise Notice</b> ”	has the meaning given to it in the Option Agreement;
“ <b>Exploitation</b> ”	has the meaning given to it in the License Agreement;
“ <b>F-star</b> ”	means F-star Biotechnology Limited, a private limited company incorporated under the laws of England and Wales under company number 08067987, having its registered office at Eddeva B920, Babraham Research Campus, Cambridge CB22 3AT;
“ <b>F-star GmbH</b> ”	means F-star Biotechnologische Forschungs-und entwicklungs-ges.m.b.h, a limited liability company incorporated under the laws of the Republic of Austria;
“ <b>Fairly Disclosed</b> ”	has the meaning given to it in clause 7.5;
“ <b>Fcab Delivery</b> ”	is defined in Schedule 5 ( <i>Contingent Consideration</i> );
“ <b>Fraud Claim</b> ”	means a claim in respect of fraud, wilful misconduct or wilful concealment by any of Warrantors (individually or on behalf of the Company) prior to Completion;
“ <b>Fundamental Warranty</b> ”	Means [***] and “ <b>Fundamental Warranties</b> ” means [***];
“ <b>Fundamental Warranty Claim</b> ”	means a claim by the Buyer for breach of a Fundamental Warranty;
“ <b>Gamma IP License</b> ”	means that certain license agreement between the Company and F-star dated 24 August 2016;
“ <b>Gamma Service Agreement</b> ”	means that certain services agreement between the Company and F-star dated 24 August 2016;
“ <b>Guaranteed Obligations</b> ”	means all present and future payment obligations and liabilities of the Company due, owing or incurred under clause 7.5.2 of the Gamma IP License to F-star (including, without limitation, under any amendment, supplement or restatement of the Gamma IP License; provided such amendment, supplement or restatement shall not increase the obligations of the Buyer without the express consent of the Buyer);
“ <b>HMRC</b> ”	means HM Revenue & Customs;

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**“Indebtedness”**

means the aggregate amount (expressed as a positive number) immediately following Completion of the following:

- a) the principal and accrued interest on any outstanding borrowing or indebtedness in the nature of borrowing incurred by the Company including, without limitation, bank debt, loans, overdrafts, guarantees of indebtedness, letters of credit (which are secured by a third party), any loan notes or bonds, any other interest bearing and/or secured lending or credit liabilities provided by third parties to the Company and any early repayment, prepayment, or break costs, fees or penalties in respect of any such items and any legal costs and expenses in connection with the release of security in relation to any such borrowings;
- b) all deferred indebtedness of the Company for the payment of the purchase price of property or assets purchased or services rendered (other than up to [\*\*\*] of trade payables and other current liabilities incurred in the ordinary course of business);
- c) all obligations of the Company to pay rent or other payment amounts under any lease up to and including the Completion Date;
- d) reimbursement obligations of the Company with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of the Company and that are outstanding as at the Completion Date;
- e) all obligations under any interest rate swap agreement, forward rate agreement, interest rate cap or collar agreement or other financial agreement or arrangement to which the Company is a party and which was entered into for the purpose of limiting or managing interest rate risks,
- f) all obligations secured by any Encumbrance existing on property owned by the Company;

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- g) all premiums, penalties, fees, expenses, breakage costs and change of control payments required to be paid or offered in respect of any of the foregoing clauses (b) through (e) as a result of the consummation of the transactions contemplated by this Agreement or in connection with any lender consent;
- h) all guaranties, endorsements, assumptions and other contingent obligations of the Company in respect of, or to purchase or to otherwise acquire, any of the obligations and other matters of the kind described in any of the clauses (a) through (g) appertaining to third parties; and
- i) all liabilities for Taxes incurred by the Company up to, but not paid by, Completion;

**“Information”**

means all knowledge of a technical, scientific, business and other nature, including know-how, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatuses, specifications, data, results and other material, regulatory data, and other biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and information, including study designs and protocols, reagents (*e.g.*, plasmids, proteins, cell lines, assays and compounds) and biological methodology; in each case (whether or not confidential, proprietary, patented or patentable, of commercial advantage or not) in written, electronic or any other form now known or hereafter developed;

**“Initial Amount”**

means, where the Buyer serves an Exercise Notice on the Sellers’ Representative and the Company in accordance with the Option Agreement:

- a) on a date prior to both [\*\*\*];
- b) on a date that is [\*\*\*];
- c) on a date that is [\*\*\*]; or
- d) after the time period in paragraph (c) above of this definition, [\*\*\*];

<b>“Intellectual Property”</b>	means all intellectual property rights, whether registered or not, including pending applications for registration of such rights and the right to apply for registration or extension of such rights including patents, petty patents, utility models, design patents, designs, copyright (including moral rights and neighbouring rights), database rights, rights in integrated circuits and other sui generis rights, trade marks, trading names, company names, service marks, logos, the get-up of products and packaging and other signs used in trade, internet domain names, Know How and any rights of the same or similar effect or nature as any of the foregoing anywhere in the world;
<b>“Know How”</b>	means any and all data, inventions, methods, proprietary information, processes, trade secrets, techniques and technology, whether patentable or not but which are not generally known, including discoveries, formulae, materials (including chemicals), biological materials (including expression constructs, nucleic acid sequences, amino acid sequences, and cell lines), practices, test data (including pharmacological, toxicological, pre-clinical and clinical information and test data), analytical and quality control data (including drug stability data), manufacturing technology and data (including formulation data), and sales forecasts, data and descriptions;
<b>“Last Accounting Date”</b>	means 31 December of the financial year on which the Company’s last audited financial statements and accounts were last required to be filed with the UK Registrar of Companies;
<b>“License Agreement”</b>	means that certain license and collaboration agreement among the Buyer, the Company, F-star GmbH and F-star, dated 24 August 2016;
<b>“Loan Note Escrow Account”</b>	means the separately designated interest bearing US dollar deposit account with SunTrust Bank opened by the Escrow Agent and operated in accordance with the Escrow Agreement into which payment of such amounts as required by clause 3.6 will be made by the Buyer;
<b>“Loan Note Sellers”</b>	each of the Sellers in Schedule 1 marked with an asterisk (*);
<b>“Loan Notes Instrument”</b>	means the loan notes instrument to be issued by the Buyer in the agreed form;
<b>“Management Accounts”</b>	means the unaudited monthly management accounts of the Company in respect of the period starting on the day after the Last Accounting Date and ending on the last day of the calendar month preceding the date of this Agreement for which such accounts have been prepared;
<b>“Material Contract”</b>	has the meaning given to it in clause 7.1.1 of Schedule 7;

<b>“Maximum Contingent Consideration”</b>	means: a) in the event of a [***], provided that if an Initial Payment True Up Event subsequently occurs, then the Maximum Contingent Consideration will be [***]; b) in the event of a [***], provided that if an Initial Payment True Up Event subsequently occurs, then the Maximum Contingent Consideration will be [***]; c) in the event of a [***]; or d) in the event of a [***];
<b>“Net Cash”</b>	means an amount (which may be a positive or a negative number) equal to the Cash less the Indebtedness, less Transaction Costs and less Declared Distributions;
<b>“Non-defaulting Party”</b>	has the meaning given to it in clause 5.4;
<b>“Notice”</b>	has the meaning given to it in clause 20.1;
<b>“Option Agreement”</b>	means that certain option agreement related to the entire issued share capital of the Company among Buyer, the Company, the Sellers, and the Sellers’ Representative, dated 24 August 2016;
<b>“Pass Through Amount”</b>	means amounts payable by the Company to F-star pursuant to (i) clause 7.5.2 of the Gamma IP License that have been received by the Company from the Buyer pursuant to the License Agreement but not paid to F-star as of the Completion Date;
<b>“Payments Administrator”</b>	means Acquiom Clearinghouse LLC, a Delaware limited liability company;
<b>“Payment Date”</b>	has the meaning given to it in paragraph 1 of Part A of Schedule 5 ( <i>Contingent Consideration</i> );
<b>“Person”</b>	means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government;
[***]	has the meaning given to it in the definition of <b>“Initial Amount”</b> ;
[***]	has the meaning given to it in the definition of <b>“Initial Amount”</b> ;
<b>“Preliminary Determination Proceeding”</b>	has the meaning given to it in paragraph 11.2 of Schedule 8 ( <i>Limitations on Sellers’ Liability</i> );
<b>“Press Release”</b>	means a press release regarding Completion in a form agreed between the Buyer and the Sellers;
<b>“Proportion of Initial Consideration”</b>	has the meaning given to it in clause 3.9;
<b>“Release Date”</b>	means the date which is [***] from Completion;

<b>“Relevant Shares”</b>	means, in relation to each Seller, the number and class of Shares held as at Completion set out adjacent to that Seller’s name in columns B and C of Schedule 1 ( <i>The Sellers</i> );
<b>“Relief”</b>	means any loss, relief, exemption, allowance, deduction, credit or set-off in respect of Tax or relevant to the computation of Tax and any right to repayment of Tax;
<b>“Sellers’ Majority”</b>	means such of the Sellers who, immediately prior to Completion, together held not less than a majority in number of the Shares (as determined by reference to the Shares set out adjacent to each relevant Seller’s name in column B of Schedule 1 ( <i>The Sellers</i> ));
<b>“Set Off Claim”</b>	has the meaning given to it in paragraph 11.2 of Schedule 8 ( <i>Limitations on Sellers’ Liability</i> );
<b>“Set Off Dispute Notice”</b>	has the meaning given to it in paragraph 11.2 of Schedule 8 ( <i>Limitations on Sellers’ Liability</i> );
<b>“Set Off Notice”</b>	has the meaning given to it in paragraph 11.2 of Schedule 8 ( <i>Limitations on Sellers’ Liability</i> );
<b>“Settled Business Warranty Claim”</b>	means a Business Warranty Claim or part of a Business Warranty Claim the quantum of which is: <ul style="list-style-type: none"> <li>a) agreed in writing between the Buyer and the Sellers’ Representative;</li> <li>b) determined by [***] court of competent jurisdiction; or</li> <li>c) determined pursuant to the procedures set forth in clause 23.3;</li> </ul>
<b>“Settled Claim”</b>	means a Settled Business Warranty Claim, or a Special Indemnity Claim, Fundamental Warranty Claim, or Warrantor Fundamental Warranty Claim (or part thereof), the quantum of which is: <ul style="list-style-type: none"> <li>a) agreed in writing between the Buyer and the Sellers’ Representative;</li> <li>b) determined by [***] court of competent jurisdiction; or</li> <li>c) determined pursuant to the procedures set forth in clause 23.3;</li> </ul>
<b>“Shareholders’ Agreement”</b>	means the shareholders’ agreement between the Shareholders and the Company dated 24 August 2016;
<b>“Shareholder Arrangements”</b>	means any advisory, contractual or commercial arrangements relating to the Company (including the existing shareholders agreement relating to the Company) to which any or all of the Sellers and/or any of their Affiliates are a party (excluding any employment agreement or consultancy agreement between those Sellers who are employees or consultants and the Company);
<b>“Shares”</b>	means all of the issued ordinary shares in the capital of the Company from time to time;

<b>“Shortfall”</b>	has the meaning given to it in clause 5.1(a);
[***]	has the meaning given to it in clause 6.3;
<b>“Special Indemnity Claim”</b>	means a claim in respect of any of the Special Indemnity Matters and <b>“Special Indemnity Claims”</b> shall be construed accordingly;
<b>“Special Indemnity Matter”</b>	means [***] and <b>“Special Indemnity Matters”</b> means [***];
<b>“Tax”, “Taxes” or “Taxation”</b>	means all forms of taxation, duties and withholdings in respect of taxation imposed in the United Kingdom or elsewhere (including National Insurance contributions) and all interest, penalties, charges and fines in respect of any of them;
<b>“Tax Authority”</b>	means HMRC and any other authority, body or official (whether in the United Kingdom or elsewhere) competent to assess, demand, impose, administer or collect Tax or make any decision or ruling on any matter relating to Tax;
<b>“Tax Warranty”</b>	means [***] and <b>“Tax Warranties”</b> means [***];
<b>“Tax Warranty Claim”</b>	means a claim in respect of any breach of any of the Tax Warranties;
<b>“Third Party”</b>	has the meaning given to it in the License Agreement;
<b>“Total Consideration”</b>	has the meaning given to it in clause 3.1;
<b>“Total Contingent Consideration”</b>	has the meaning given to it in paragraph 1 of Part A of Schedule 5 ( <i>Contingent Consideration</i> );
<b>“Transaction Costs”</b>	means all third party fees, costs, expenses, payments, and expenditures incurred by the Company in connection with the transactions contemplated by this Agreement whether or not billed or accrued (including any fees, costs expenses, payments, and expenditures of legal counsel and accountants, the maximum amount of fees costs, expenses, payments, and expenditures payable to financial advisors, investment bankers and brokers of the Company notwithstanding any contingencies for earnouts, escrows, etc., and any such fees, costs, expenses, payments, and expenditures incurred by the Sellers paid for or to be paid for by the Company);
<b>“Transaction Documents”</b>	means this Agreement, the Option Agreement, the License Agreement, the Gamma IP License, the Loan Note Instrument, the Disclosure Letter, the Escrow Agreement and the Gamma Service Agreement;
<b>“Upfront Consideration”</b>	has the meaning given to it in clause 3.2;
<b>“Warrantor Fundamental Warranties”</b>	means [***];
<b>“Warrantor Fundamental Warranty Claim”</b>	means a claim by the Buyer for breach of a Warrantor Fundamental Warranty;

**“Warrantors”** means [\*\*\*], save that if any such person ceases to be employed or otherwise engaged by F-star GmbH (or any of its Affiliates) in a management position or ceases to own (legally or beneficially) Shares then they shall cease to be a Warrantor and shall be replaced as a Warrantor by the person then performing the role of [\*\*\*], or, in any case, by such person as the Company, acting reasonably, may nominate in writing *provided that* such person owns Shares (legally or beneficially), performs a senior management role in the Company and the Buyer consents to the appointment, such consent not to be unreasonably withheld, conditioned or delayed, and a **“Warrantor”** means any one of them; and

**“Warranty”** means [\*\*\*] and **“Warranties”** means [\*\*\*].

- 1.2. Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.
- 1.3. References to clauses and Schedules are to the clauses and Schedules of this Agreement and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.4. The Schedules form part of this agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this agreement includes the Schedules.
- 1.5. A **“subsidiary”** or **“holding company”** is to be construed in accordance with section 1159 (and Schedule 6) of the Companies Act and a **“subsidiary undertaking”** or **“parent undertaking”** is to be construed in accordance with section 1162 (and Schedule 7) of the Companies Act;
- 1.6. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.7. A reference to a **party** shall include that party’s personal representatives, successors and permitted assigns.

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- 1.8. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.9. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.10. A reference to writing or written includes fax and e-mail (unless otherwise expressly provided in this Agreement).
- 1.11. The *ejusdem generis* principle of construction shall not apply to this Agreement. Accordingly, any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.12. A reference to a document in this Agreement in the **agreed form** is to a document agreed by the parties and initialled by them or on their behalf for identification purposes.
- 1.13. Where any obligation in this Agreement is expressed to be undertaken or assumed by any party, that obligation is to be construed as requiring the party concerned to exercise all rights and powers of control over the affairs of any other person which it is able to exercise (whether directly or indirectly) in order to secure performance of the obligation.
- 1.14. References to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any other legal concept shall, in respect of any jurisdiction other than England, be deemed to include the legal concept which most nearly approximates in that jurisdiction to the English legal term.
- 1.15. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.16. References to “**US\$**” or “**\$**” are references to US dollars, legal tender in the United States, and references to “**GBP**” or “**£**” are references to pounds sterling, legal tender in the United Kingdom.

## 2. SALE AND PURCHASE

- 2.1. Each Seller severally agrees to sell or procure the sale to the Buyer, and the Buyer agrees to buy, all of such Seller's Relevant Shares together with all rights attaching to those Relevant Shares at Completion, free from any Encumbrance and with full title guarantee.
- 2.2. Each Seller severally waives all rights of pre-emption, rights of first refusal and any other similar rights or other restrictions on transfer conferred on that Seller by the Company's articles of association or otherwise over any of the Relevant Shares.
- 2.3. The Buyer shall be responsible for the payment of all stamp duty (and, if applicable, stamp duty reserve tax) on this Agreement and the transfers in respect of the Shares at Completion.
- 2.4. In the event that the Buyer becomes aware that it or the Escrow Agent will have an obligation to deduct or withhold an amount for or on account of Taxes from any payment made under this Agreement, it shall notify the Sellers' Representative in writing as soon as reasonably practicable and the parties shall use their reasonable endeavours to do, to the extent within their power and authority, all such acts and things and to sign all such documents as will enable them to take advantage of any applicable double taxation agreement, treaty or domestic exemption which may apply to eliminate or reduce withholding Taxes and otherwise provide the Sellers such assistance as is reasonably required to obtain a refund of the withheld or similar Taxes, or obtain a credit with respect to such Taxes. In the event there is no applicable double taxation agreement, treaty or domestic exemption or if an applicable double taxation agreement, treaty or domestic exemption reduces but does not eliminate such withholding or similar Tax, the Buyer or Escrow Agent shall deduct the amount paid from the amount due to the respective Seller or Sellers, remit such withholding or similar Tax to the appropriate Tax Authority and secure and send to the respective Seller or Sellers reasonable evidence of the payment of such withholding or similar Tax. In the event that any Taxes are required by applicable Tax law to be withheld or deducted for or on account of Tax from any payments made under this Agreement, any Taxes so withheld and deducted from any payment by the Buyer or the Escrow Agent and paid over to the appropriate Tax Authority shall be treated as paid to the Sellers under this Agreement.



### 3. **CONSIDERATION**

3.1. The purchase price for the Shares shall be an amount equal to:

- (a) the Upfront Consideration; and
  - (b) any Contingent Consideration,
- (collectively, the “**Total Consideration**”).

#### **Upfront Consideration**

3.2. The aggregate consideration payable by the Buyer to the Sellers for the Shares pursuant to this Agreement on the Completion Date shall be:

- (a) the Initial Amount; plus
- (b) the Estimated Net Cash,

(the amount set out in clause 3.2(a) plus the amount set out in clause 3.2(b) being the “**Initial Consideration**”), as increased by the amount to be paid by the Buyer or, as the case may be, decreased by the amount to be paid by the Sellers, pursuant to clause 4.1 (the total sum being referred to as the “**Upfront Consideration**”).

3.3. At Completion, the Buyer shall pay:

- (a) an amount in cash equal to the Initial Consideration less the Escrow Amount, by transfer of funds for same day value to the Payments Administrator in accordance with clause 13.1; and
- (b) the Escrow Amount into the Escrow Account by transfer of funds for same day value.

3.4. The parties agree to comply with their respective obligations under Part A of Schedule 4 (*Preparation of Completion Accounts*).

#### **Contingent Consideration**

3.5. If any of the Milestone Events set forth in Schedule 5 (*Contingent Consideration*) are achieved, the Buyer will make the corresponding Milestone Payment to the Payments Administrator for further distribution to the Sellers on or prior to the Payment Date. Any Contingent Consideration payable to the Sellers shall be allocated between the Sellers with regard to their respective Proportion of Initial Consideration or as otherwise notified to the Buyer in writing by the Sellers’ Representative at least five (5) Business Days prior to a Payment Date and shall be satisfied:

- (a) in respect of the Loan Note Sellers, by the issue by the Buyer of the Contingent Consideration Loan Notes to each of the Loan Note Sellers equal, in principal amount, to the relevant Contingent Consideration due to such Loan Note Sellers; and
  - (b) in respect of the Cash Sellers, by paying the relevant Contingent Consideration due to each of the Cash Sellers to the Payments Administrator in accordance with clause 13 on a Payment Date.
- 3.6. Simultaneously with the issue by the Buyer of any Contingent Consideration Loan Notes to the Loan Note Sellers in accordance with clause 3.5(a), the Buyer shall transfer to the Loan Note Escrow Account an amount equal to the total aggregate principal amount of such Contingent Consideration Loan Notes, which amount (together with any interest accrued thereon) shall be released by the Escrow Agent to the Loan Note Sellers within five (5) Business Days following redemption of such Contingent Consideration Loan Notes in accordance with the Loan Note Instrument. The Escrow Agent may withdraw from the Loan Note Escrow Account an amount equal to any Tax on the interest earned in respect of money held in the Loan Note Escrow Account for which it is liable.
- 3.7. The Total Contingent Consideration shall not under any circumstances exceed the Maximum Contingent Consideration.
- 3.8. The Buyer shall (and shall procure that all relevant Buyer's Group Undertakings shall) comply with the provisions of Schedule 5 (*Contingent Consideration*).
- 3.9. The proportion of the Initial Consideration, to which each Seller is entitled is set against his name in column D of Schedule 1 (*The Sellers*) (each, a "**Proportion of Initial Consideration**").

#### **Consideration Generally**

- 3.10. Each Seller agrees to the allocation of the Total Consideration as provided for in this Agreement (including any allocation notified to the Buyer by the Sellers' Representative pursuant to clause 3.5) and waives any claim or dispute regarding the apportionment of the proceeds from the sale of his Shares provided it is made in accordance with this Agreement. Following any payment to the Payments Administrator in accordance with this Agreement, the Buyer shall be under no obligation to see that any such amounts are divided and paid to each Seller (or any other person).

3.11. If, after Completion, any Seller is in or comes into possession of any amounts attributable to any other Seller then as soon as reasonably practicable following any request by the Seller which has the right to such amounts, the relevant Seller shall use all reasonable endeavours to ensure that the person in possession of that relevant amount does or causes to be done all such things as the Seller entitled to such amount may from time to time reasonably require, in order to transfer possession of such relevant amount to the owner.

#### 4. POST COMPLETION ADJUSTMENTS

##### 4.1. If the amount of the Actual Net Cash:

- (a) is less than the amount of the Estimated Net Cash, then, subject to clause 5.3, the Sellers shall pay the Buyer an amount equal to the amount of such shortfall (the “**Shortfall**”); or
- (b) exceeds the amount of the Estimated Net Cash, the Buyer shall pay the Sellers an amount equal to the amount of such excess,

in either case, together with an amount equal to interest on such sum calculated on a daily basis at a rate of [\*\*\*] from (and including) the Completion Date to (but excluding) the date of actual payment, in accordance with the provisions of clauses 4.2 and 4.3.

##### 4.2. Payments made by the Buyer pursuant to clause 4.1(b) shall be made by transfer of funds for same day value (to the Payments Administrator in accordance with clause 13.1), within two (2) Business Days of the Determination Date without set off, deduction or withholding (except as required by law or by this Agreement).

##### 4.3. If an amount is payable by the Sellers pursuant to clause 4.1(a), such amount shall be paid from the Escrow Account to the Buyer when the Buyer and the Sellers’ Representative within two (2) Business Days of the Determination Date jointly instruct the Escrow Agent in writing to make such payment out of amounts standing to the credit of the Escrow Account to the Buyer’s Account in accordance with clause 13.2.

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## 5. COMPLETION

- 5.1. Completion shall take place at the offices of the Seller's Solicitors immediately following the execution of this Agreement.
- 5.2. At Completion each Seller and the Buyer shall do all those things respectively required of each of them in Schedule 3 (*Completion Requirements*).
- 5.3. Neither the Sellers nor the Buyer are obliged to complete this Agreement unless:
- (a) all of the Sellers (in the case of the Buyer) or the Buyer (in the case of the Sellers) comply with all its/their obligations under this clause 5 and Schedule 3 (*Completion Requirements*); and
  - (b) subject to the provisions of clause 7 of the Option Agreement, the purchase of all the Shares under this Agreement is completed simultaneously.
- 5.4. If Completion does not take place immediately following the execution of this Agreement because the Buyer or any Seller (the "**Defaulting Party**") fails to comply with any of its obligations under this clause 5 and Schedule 3 (*Completion Requirements*) (whether such failure amounts to a repudiatory breach or not) (a "**Material Default**"), the Buyer (if the Defaulting Party is a Seller) or the Company (if the Defaulting Party is the Buyer) (the "**Non-defaulting Party**") may by notice to the Defaulting Party:
- (a) proceed to Completion to the extent reasonably practicable (without limiting its rights under this Agreement);
  - (b) postpone Completion to such date as the Non-defaulting Party may specify; or
  - (c) terminate this Agreement by notice in writing to the Defaulting Party (a "**Termination Notice**") save that the Non-defaulting Party shall have five (5) Business Days from receipt of the Termination Notice to remedy such Material Default (provided, however, that no such cure period shall be available or applicable to any such Material Default which by its nature cannot be cured). In the event that the Material Default is capable of being remedied but is not so remedied within the requisite time period, this Agreement shall terminate upon expiry of the period of five (5) Business Days without further action by either party. If the Material Default is remedied within the requisite time, the Termination Notice shall lapse and Completion shall be deemed to have been postponed until such date as the Non-defaulting Party may determine.

- 5.5. If the Non-defaulting Party postpones Completion to another date in accordance with clause 5.4(b), or if Completion is deemed to have been postponed to another date in accordance with clause 5.4(c), the provisions of this Agreement apply as if that other date is the Completion Date.
- 5.6. If the Non-defaulting Party terminates this Agreement pursuant to clause 5.4(c), each party's further rights and obligations cease immediately on termination, but termination does not affect a party's accrued rights and obligations at the date of termination.
- 5.7. The parties agree that except in the case of fraud, wilful misconduct or wilful concealment on behalf of the Sellers or the Buyer, rescission shall not be available as a remedy for any breach of this Agreement.
- 5.8. Nothing in this clause 5 shall prevent a Non-defaulting Party from exercising remedies available to it under applicable law.

## 6. ESCROW ACCOUNT

- 6.1. Each party agrees that the money in the Escrow Account shall only be used in accordance with the provisions set out in clause 4, this clause 6, paragraph 5 of Part A of Schedule 4 (*Preparation of Completion Accounts*) and the Escrow Agreement.
- 6.2. Each party shall ensure that all rights to the Escrow Account remain free from any Encumbrance, set off or counterclaim except as referred to in this clause 6.
- 6.3. The liability of any Warrantor in respect of [\*\*\*] shall be limited by the amount of money standing to the credit of the Escrow Account from time to time and the sole remedy of the Buyer under this Agreement in respect of a [\*\*\*] shall be the release of any such amount to the Buyer from the Escrow Account.
- 6.4. A [\*\*\*] must be satisfied out of and deducted from the money in the Escrow Account in accordance with this clause 6 and a Shortfall must be first satisfied out of and deducted from the money in the Escrow Account in accordance with this clause 6. In addition, in the event of [\*\*\*].
- 6.5. To the extent that liability for [\*\*\*] is to be satisfied from the Escrow Account, each Warrantor shall be [\*\*\*] liable to the Buyer for such liability up to the availability of any amount standing to the credit of the Escrow Account from time to time irrespective of the amount (if any) contributed to the Escrow Account by such Warrantor.
- 6.6. No Warrantor shall have any liability to any other Seller in respect of any liability satisfied from the Escrow Account.
- 6.7. Clauses 6.3 and 6.6 shall not apply so as to limit the liability of any Warrantor in respect of any fraud by such Warrantor or any remedy available to any other Seller or the Buyer in respect thereof.
- 6.8. Interest accruing from time to time on the balance of money standing to the credit of the Escrow Account shall be added to the money standing to the credit of the Escrow Account and shall form part of it for the purposes of this clause 6.
- 6.9. All of the costs (including reasonable legal costs) and expenses (together with any applicable VAT), in each case, of any nature whatsoever, of the Escrow Agent in relation to the Escrow Account and the Escrow Agreement shall be deemed to be Transaction Costs.
- 6.10. The Escrow Agent may withdraw from the Escrow Account an amount equal to any Tax on the interest earned in respect of money held in the Escrow Account for which it is liable.

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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- 6.11. On the Release Date, the money then standing to the credit of the Escrow Account less the total of the then outstanding Disputed Business Warranty Claims and less any amount that has not yet been paid in accordance with clause 4 or paragraph 5 of Part A of Schedule 4 (*Preparation of Completion Accounts*) shall be paid to the Payments Administrator in accordance with clause 13.1. After that date, to the extent that the money standing to the credit of the Escrow Account from time to time exceeds the total of the then outstanding Disputed Business Warranty Claims and any amount that has not yet been paid in accordance with clause 4 or paragraph 5 of Part A of Schedule 4 (*Preparation of Completion Accounts*), that money shall be paid to the Payments Administrator in accordance with clause 13.1.
- 6.12. If the Sellers or the Buyer are entitled to money from the Escrow Account under clauses 6.4 or 6.11, the Sellers' Representative and the Buyer shall within five (5) Business Days of the date on which the entitlement arises jointly instruct the Escrow Agent in writing to release the money to the Payments Administrator in accordance with clause 13.1 or the Buyer, as the case may be, together with an amount (less any Tax and other amount the Escrow Agent is legally required to deduct from that amount) equal to the interest actually accrued on such sum calculated for the period from (and including) the date of this Agreement to (but excluding) the date of payment.
- 6.13. All payments made to the Buyer by the Escrow Agent under this clause 6 shall be made gross and without deduction or withholding of any kind other than any deduction or withholding required by law.
- 6.14. The amount, if any, of the Escrow Amount which is paid to the Buyer pursuant to clause 4.2 or this clause 6 shall be treated as a reduction in the Total Consideration.
- 6.15. The Sellers agree between themselves that any amounts released to the Payments Administrator for further distribution to the Sellers from the Escrow Account shall be apportioned between them by reference to their respective contribution initially made to the Escrow Amount (as set out in column F of the table in Schedule 1 (*The Sellers*)).



## 7. SELLER WARRANTIES AND INDEMNITY

- 7.1. Each Seller (i) [\*\*\*] warrants [\*\*\*] to the Buyer in the terms of the Fundamental Warranties at Completion and, subject to clause 7.4, the Tax Warranties at Completion; and (ii) subject to the limitations set forth in Schedule 8 (*Limitations on the Sellers' Liability*) agrees [\*\*\*], and on a pro rata basis in accordance with each Seller's Proportion of Initial Consideration, to indemnify the Buyer against any losses, costs, claims, liabilities, damages, demands and expenses arising out of any Special Indemnity Matter save where such losses, costs, claims, liabilities, damages, demands and/or expenses are a result of any action or omission by or on behalf of the Buyer (or any Buyer's Group Undertaking) or due to the Buyer's (or any Buyer's Group Undertaking's) gross negligence, wilful misconduct or wilful concealment.
- 7.2. Each Warrantor [\*\*\*] warrants [\*\*\*] to the Buyer in the terms of the Warrantor Fundamental Warranties at Completion.
- 7.3. Subject to clause 7.4, each Warrantor [\*\*\*] warrants to the Buyer on the terms of the Business Warranties at Completion.
- 7.4. [\*\*\*]. For the avoidance of doubt, [\*\*\*].
- 7.5. [\*\*\*].
- 7.6. Where [\*\*\*] is qualified by the expression "so far as the Warrantors are aware" or "to the best of the knowledge, information and belief of the Warrantors" or qualified by any similar expression, each Warrantor shall be deemed only to have knowledge of anything of which [\*\*\*].
- 7.7. Each Seller agrees and undertakes to the Buyer and to each person referred to in this clause 7.7 that, except in the case of fraud, it will not make any claim against the Company or any director, officer or employee of the Company on whom it may have relied before agreeing any term of this Agreement or any of the transaction contemplated by this Agreement which it may have in respect of a misrepresentation, inaccuracy or omission in or from information or advice provided by any such person for the purpose of assisting any such Seller to make a representation, give a Warranty or prepare the Disclosure Letter (as applicable). After Completion, the Company or any director, officer or employee of the Company may enforce the terms of this clause 7.7 subject to and in accordance with [\*\*\*].
- 7.8. [\*\*\*].

**8. LIMITATIONS TO THE SELLERS' LIABILITY**

- 8.1. Each Seller's liability for [\*\*\*] and each Warrantor's liability for [\*\*\*] shall be limited or excluded, as the case may be, as set out in clause 7 and Schedule 8 (Limitations on the Sellers' Liability).
- 8.2. Except as stated in this Agreement, the Buyer shall not be restricted from including as part of any Claim any losses, costs, claims, liabilities, damages, demands and/or expenses [\*\*\*].

**9. BUYER'S WARRANTIES**

The Buyer warrants to each Seller as at Completion that:

- 9.1. it is a company duly incorporated and validly existing in the State of Delaware, United States and has the right, power and authority to execute, deliver and perform its obligations under this Agreement and any other Transactional Document to be executed by it;
- 9.2. the Buyer's obligations under this Agreement and any other Transactional Documents to be executed by the Buyer are, or when the relevant document is executed will be, enforceable in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles;
- 9.3. the execution, delivery and performance by the Buyer of this Agreement and each Transactional Document to be executed by it will not breach any provision of the certificate of incorporation or bylaws of the Buyer or breach any applicable laws or regulations, or any orders, judgements or decrees which the Buyer is bound by or result in a breach of or constitute a default under any instrument, contract or agreement to which the Buyer is a party or by which the Buyer is bound and which, in each case, is material in the context of the transactions contemplated by this Agreement and any of the Transactional Documents; and
- 9.4. it has available on an unconditional basis (subject only to Completion) the necessary resources to meet its obligations under this Agreement, other than payment of the Contingent Consideration.

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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## 10. POST COMPLETION MATTERS

- 10.1. Each Seller agrees in respect only of itself that the Seller shall, for so long as the Seller remains the registered holder of any of the Relevant Shares after Completion, hold those Relevant Shares with all rights and benefits attaching or accruing to them on or after the date of this Agreement as bare trustee for the Buyer absolutely.
- 10.2. For a period of [\*\*\*] after Completion each Seller hereby irrevocably undertakes to the Buyer pending registration by the Company of the transfer of the Seller's Relevant Shares to the Buyer, to exercise any votes attaching to any of the Seller's Relevant Shares or sign any consent to short notice of a general meeting (or written resolution in lieu thereof) as the Buyer may reasonably direct.
- 10.3. Each Seller acting severally shall execute and shall procure the execution of, all documents and deeds and/or do or procure the doing of, all acts and things that the Buyer reasonably requires after Completion to vest in the Buyer legal title to and the full benefit of the Relevant Shares held by such Seller.
- 10.4. Subject to clause 10.5, each of the Sellers (for itself and for and on behalf of each of its Affiliates) hereby irrevocably agrees that, with effect from and conditional upon Completion:
- (a) the Shareholder Arrangements are hereby terminated;
  - (b) any and all rights of any Seller and/or any of its Affiliates and any and all obligations of the Company under, pursuant to or in connection with the Shareholder Arrangements, along with any other claim or demand of any Seller or any of its Affiliates against the Company, which are subsisting or outstanding at the date of this Agreement are expressly waived and released, including any and all such rights and obligations, claims and demands which may have accrued in respect of any period prior to Completion; and
  - (c) any and all other debts or liabilities (whether actual, contingent or prospective and including any interest thereon) of the Company to any Seller under, pursuant to or in connection with the Shareholder Arrangements or otherwise which are subsisting or outstanding at the date of this Agreement are expressly waived, released and discharged.
- 10.5. Each Seller shall ensure that at Completion there will be no amounts owing by the Company to such Seller in respect of itself and its Affiliates only, other than by way of accrued but unpaid salary or consultancy fees or unreimbursed expenses incurred in the ordinary course of business consistent with past practice owed to employees or consultants of the Company.

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- 10.6. The Buyer shall, within 20 Business Days of Completion, procure that the name of the Company is changed to such name as the Buyer may decide provided that it does not include the word “F-star”.
- 10.7. The Buyer intends to make an election under Section 338(g) of the United States Internal Revenue Code of 1986, as amended (the “**IRC**”) (and any corresponding election under state and local Tax law) with respect to the purchase of the Shares under this Agreement (collectively, the “**Section 338 Election**”). The Buyer may make the Section 338 Election in its sole discretion; provided, however, that the Sellers shall not be liable in respect of a Tax Warranty Claim for any liability of the Company for Taxes arising directly or indirectly from the Section 338 Election and the Buyer shall indemnify the Sellers and the Company on an after-Tax basis against any Tax liability, losses and all reasonable costs and expenses of the Sellers or the Company which arise directly or indirectly as a result of the Section 338 Election being made excluding any Tax liability, losses or costs and expenses that would have not have arisen had all of the Tax Warranties made by the Company and Sellers been true, correct and complete. In addition, in the case of any Seller, the calculation of any increase in Tax liability of such Seller resulting from the Section 338 Election shall be made assuming (a) that such Seller and any of its direct or indirect owners has made a timely and valid election under Section 1295 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) and the regulations thereunder to treat its shares in the Company as a “qualified electing fund” within the meaning of Section 1295 effective with the first day of such Seller’s holding period in the Company’s shares and (b) that the Company is not, and has not at any time during the five (5) taxable years preceding the Completion Date, been a “controlled foreign corporation” within the meaning of Section 957 of the IRC. For clarify, Purchaser shall not be required under this Section 10.7 to indemnify the Company or any Seller for any Tax liability that would not have arisen had a Seller (or its direct or indirect owners) elected to treat the Company as a qualified electing fund and/or had the Company not been a controlled foreign corporation, as described in the previous sentence.

## 11. BUYER GUARANTEE

- 11.1. Following Completion, the Buyer guarantees to F-star, whenever the Company does not pay any of the Guaranteed Obligations when due, to pay within 5 Business Days following receipt of written demand from F-star, the Guaranteed Obligations.
- 11.2. Following Completion, the Buyer as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under clause 11.1 agrees to indemnify and keep indemnified F-star in full and on written demand from and against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by F-star arising directly out of the Guaranteed Obligations not being recoverable for any reason or any failure of the Company to pay any of its obligations or liabilities in respect of the Guaranteed Obligations.
- 11.3. This guarantee is and shall cover the ultimate balance from time to time owing to F-star by the Company in respect of the Guaranteed Obligations.
- 11.4. The liability of the Buyer under this clause 11 shall not be terminated by:
- (a) any intermediate payment, settlement of account or discharge in part of the Guaranteed Obligations;
  - (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which F-star may now or after the date of this guarantee have from or against any of the Company and any other person in connection with the Guaranteed Obligations;
  - (c) any amendment, variation, novation, replacement or supplement of or to any of the Guaranteed Obligations;
  - (d) any grant of time, indulgence, waiver or concession to the Company or any other person;
  - (e) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Company, F-star, or any other person;
  - (f) any claim or enforcement of payment from the Company or any other person; or

- (g) any act or omission which would not have discharged or affected the liability of the Buyer had it been a principal debtor instead of a guarantor, or indemnifier or by anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Buyer or otherwise reduce or extinguish its liability under this guarantee.
- 11.5. Any release, discharge or settlement between the Buyer and F-star in relation to this guarantee shall be conditional on no right, disposition or payment to F-star by the Buyer, the Company or any other person in respect of the Guaranteed Obligations being avoided, set aside or ordered to be refunded under any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason.
- 11.6. If any right, disposition or payment referred to in clause 11.5 is avoided, set aside or ordered to be refunded, F-star shall be entitled subsequently to enforce this guarantee against the Buyer as if such release, discharge or settlement had not occurred and any such right, security, disposition or payment had not been given or made.
- 11.7. F-star shall be entitled to enforce this clause 11 against the Buyer as if it were a party to this Agreement.

12. **SELLERS' REPRESENTATIVE**

- 12.1. Each Seller hereby irrevocably and unconditionally appoints the Sellers' Representative as sole representative agent and attorney-in-fact to act on such Seller's behalf for all purposes relating to this Agreement after Completion and each agreement and document ancillary thereto, including for the purposes of:
- (a) accepting and giving notices on behalf of such Seller;
  - (b) making elections and granting any consent or approval on behalf of such Seller under this Agreement;
  - (c) approving and executing any document on behalf of such Seller to give effect to the release of any money then standing to the credit of the Escrow Account;
  - (d) defending, negotiating, compromising, settling and releasing on behalf of such Seller any rights and claims (including legal proceedings) which the Buyer may threaten or pursue in respect of any breach of, or right under, this Agreement or any other Transactional Document;
  - (e) confirming the allocation between the Sellers of the Contingent Consideration to be made under this Agreement;

- (f) enforcing, negotiating, compromising, settling and releasing on behalf of such Seller any rights and claims (including legal proceedings and ADR) which he may have, threaten or pursue against the Buyer (or any other person) in respect of any breach of, or right under, this Agreement or any other Transactional Document or any Dispute;
- (g) consent or agree to any amendment to this Agreement or to waive any terms and conditions of this Agreement providing rights or benefits to the Sellers (other than with respect to the payment of the Total Consideration) in accordance with the terms hereof and in the manner provided herein;
- (h) taking any and all actions that may be necessary or desirable in connection with the payment by the Sellers of the costs and expenses incurred under this Agreement; and
- (i) generally taking any and all other actions and doing any and all other things provided in or contemplated by this Agreement and each agreement and document ancillary thereto to be performed by such Seller or the Sellers' Representative.

12.2. Each Seller hereby irrevocably (by way of security for the performance of his obligations under this Agreement) appoints the Sellers' Representative as its agent with full authority on his behalf and in the Seller's name, as applicable, or otherwise, to do all acts and to execute and deliver such documents or deeds as are required by law or as may, in the reasonable opinion of the Sellers' Representative, be required or convenient to give effect to the matters described in clause 12.1.

12.3. The Sellers' Representative shall act in good faith in accordance with what the Sellers' Representative believes to be the best interests of the Sellers when exercising any power or authority conferred on under this clause 12.

12.4. Save in the event of fraud, any action undertaken or omitted by the Sellers' Representative with the written approval of a Sellers' Majority shall be conclusively deemed to be in accordance with the requirements of clause 12.3 provided that, for the avoidance of doubt, such approval shall not be necessary.

12.5. The Sellers' Representative may resign at any time. The Sellers' Representative may consult with any Seller to the extent a claim is threatened or pursued by the Buyer in respect of any breach of, or right under, this Agreement or any other Transactional Document and which specifically concerns any actual or alleged act or default of that Seller.

- 12.6. The Sellers may, by written notice signed by a Sellers Majority (a “**Change Of Sellers’ Representative Notice**”), replace a resigning Sellers’ Representative or remove an incumbent Sellers’ Representative from such position and appoint another person to act as Sellers’ Representative in substitution thereof (a “**New Sellers’ Representative**”). A Change Of Sellers’ Representative Notice shall be effective only once a copy thereof has been served on both the incumbent Sellers’ Representative and the Buyer.
- 12.7. A New Sellers’ Representative so appointed shall, with effect from the time of its appointment, execute a deed of adherence in favour of the Sellers and the Buyer pursuant to which it shall agree to adhere to, and be bound by, this Agreement as though named herein as the Sellers’ Representative and the parties agree that such substitute New Sellers’ Representative shall be conferred the rights, power and authorities (including as set out in this clause 12) of the Sellers’ Representative as set out in this Agreement and entitled to directly enforce the same (notwithstanding that it may not have initially been a signatory hereto). A copy of such deed of adherence shall be delivered to the Buyer at the same time as the Change Of Sellers’ Representative Notice is served thereon under clause 12.6.
- 12.8. If at any time a New Sellers’ Representative is appointed in accordance with clause 12.6, if required by the Buyer, the Sellers’ Representative hereby undertakes to do all such things as may be necessary to novate the Escrow Agreement from the previous Sellers’ Representative to the New Sellers’ Representative.
- 12.9. Any action taken or any exercise of powers under this Agreement by the Sellers’ Representative or any New Sellers’ Representative shall be binding on each Seller for the purposes of this Agreement, shall be deemed to be done by each Seller, and the Buyer shall be entitled to assume that any action taken by the Sellers’ Representative or any New Sellers’ Representative whose appointment has been notified in accordance with this clause 14 is binding on all of the Sellers and the parties shall be entitled to rely on the same. The Buyer shall not be required to make further enquiries in respect thereof. The Buyer shall have no obligation to monitor or supervise the Sellers’ Representative or any New Sellers’ Representative. The Buyer shall not be liable to any of the Sellers for any action taken or omitted to be taken by the Sellers’ Representative or any New Sellers’ Representative.
- 12.10. All costs (including legal costs) and expenses (including Tax), in each case, of any nature whatsoever, of the Sellers’ Representative shall be borne by the Sellers in the proportions set out in column D of the table in Schedule 1 (*The Sellers*).



12.11. The Sellers' Representative shall have no liability or obligation to take any action on behalf of any Seller under the powers and authorities conferred on the Sellers' Representative by this Agreement where such action may result in the Sellers' Representative incurring any cost, expense or liability unless the Sellers' Representative is satisfied with any arrangements made by (or on behalf of) the Sellers for the satisfaction or re-imbursement of such costs, expenses and liabilities.

12.12. Upon Completion, and subject to receipt by the Sellers' Representative of the cash sum provided for in clause 3.3(a), the Sellers' Representative will retain an amount of [\*\*\*] from such sum (the "**Expense Fund**"), which will be used for the purposes of paying directly, or reimbursing the Sellers' Representative for, any third party expenses pursuant to this Agreement and the transactions contemplated hereby. The Sellers will not receive any interest or earnings on the Expense Fund and irrevocably transfer and assign to the Sellers' Representative any ownership right that they may otherwise have had in any such interest or earnings. The Sellers' Representative will not be liable for any loss of principal of the Expense Fund other than as a result of its gross negligence or wilful misconduct. The Sellers' Representative will hold these funds separate from its corporate funds in a segregated client account, will not use these funds for its operating expenses or any other corporate purposes and will not voluntarily make these funds available to its creditors in the event of bankruptcy. As soon as practicable following the completion of the Sellers' Representative's responsibilities, the Sellers' Representative will distribute the balance of the Expense Fund to the Payments Administrator for further distribution to the Sellers. For tax purposes, the Expense Fund shall be treated as having been received and voluntarily set aside by the Sellers at the time of Completion. The parties agree that the Sellers' Representative is not responsible for any tax withholding or reporting or acting as a withholding agent or in any similar capacity in connection with the Expense Fund.

12.13. The Sellers' Representative will incur no liability of any kind with respect to any action or omission by the Sellers' Representative in connection with Sellers' Representative's services pursuant to this Agreement and any agreements ancillary hereto, except in the event of liability directly resulting from the Sellers' Representative's gross negligence or wilful misconduct. The Sellers' Representative shall not be liable to any Seller as a result of any action or omission that is taken (or not taken) in good faith pursuant to the advice of external legal counsel in the proper performance of its obligations under this Agreement. The Sellers will, severally and not jointly, on a pro rata basis equal to the portion of Total Consideration each such Seller is entitled to receive pursuant to this Agreement compared to the aggregate Total Consideration entitled to be received by all Sellers, indemnify, defend and hold harmless the Sellers' Representative from and against any and all losses, liabilities, damages, claims, penalties, fines, forfeitures, actions, fees, costs and expenses (including the fees and expenses of counsel and experts and their staffs and all expense of document location, duplication and shipment) (collectively, "**Representative Losses**") arising out of or in connection with the Sellers' Representative's execution and performance of this Agreement and any agreements ancillary hereto, in each case as such Representative Loss is suffered or incurred; provided, that in the event that any such Representative Loss is finally adjudicated to have been directly caused by the gross negligence or wilful misconduct of the Sellers' Representative, the Sellers' Representative will reimburse the Sellers the amount

of such Representative Loss to the extent attributable to such gross negligence or wilful misconduct. If not paid directly to the Sellers' Representative by the Sellers, any such indemnified Representative Losses may be recovered by the Sellers' Representative from (i) the funds in the Expense Fund, (ii) the amounts in the Escrow Amount at such time as remaining amounts would otherwise be distributable to the Sellers, and (iii) from any Milestone Payments at such time as any such amounts would otherwise be distributable to the Sellers; provided, that while this section allows the Sellers' Representative to be paid from the Expense Fund, the Escrow Amount and the Milestone Payments, this does not relieve the Sellers from their obligation to promptly pay such Representative Losses as they are suffered or incurred, nor does it prevent the Sellers' Representative from seeking any remedies available to it at law or otherwise. In no event will the Sellers' Representative be required to advance its own funds on behalf of the Sellers or otherwise. For the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, the limitations on liability of the Sellers set forth elsewhere in this Agreement are not intended to be applicable to the indemnities provide to the Sellers' Representative under this clause 12.13. The Sellers acknowledge and agree that the foregoing indemnities will survive the resignation or removal of the Sellers' Representative or the termination of this Agreement.

### 13. PAYMENTS

- 13.1. Payments to be made to the Sellers under this Agreement shall be made in US dollars by telegraphic transfer of immediately available funds to such account controlled by the Payments Administrator as may be notified by the Payments Administrator or the Sellers' Representative in writing to the Buyer.
- 13.2. Payments to be made to the Buyer under this Agreement shall be made in US dollars by telegraphic transfer of immediately available funds to such account as may be notified in writing by the Buyer to the Payments Administrator.
- 13.3. The payment of any sum to the Buyer by or on behalf of any of the Sellers will discharge the obligations of the Sellers to pay the sum in question and the Sellers shall not be concerned to see the application of the monies so paid.
- 13.4. The payment of any sum to the Payments Administrator by or on behalf of the Buyer will discharge the obligations of the Buyer to pay the sum in question and the Buyer shall not be concerned to see the application of the monies so paid.

## 14. ANNOUNCEMENTS

- 14.1. Subject to clause 14.2, no party (the “**disclosing party**”) may, before or after Completion, make or issue a public announcement or press release concerning the transactions referred to in this Agreement other than the Press Release unless it has first obtained the written consent of the Sellers (prior to Completion, if the disclosing party is the Buyer) or the Sellers’ Representative (after Completion, if the disclosing party is the Buyer), or of the Buyer (if the disclosing party is a Seller) (in either case, the “**other party**”), which consent may not be unreasonably withheld or delayed.
- 14.2. Clause 14.1 does not apply to a public announcement or press release required by law, by a rule of a listing authority by which a party’s shares are listed, a stock exchange on which a party’s shares are listed or traded or by a governmental authority or other authority with relevant powers to which either party is subject or submits, whether or not the requirement has the force of law, provided that the public announcement, communication or circular shall so far as is practicable be made after consultation with the other party and after taking into account the reasonable requirements of the other party as to its timing, content and manner of making or despatch.

## 15. CONFIDENTIALITY

- 15.1. Subject to clause 15.4, each party shall treat the following information as confidential to the extent obtained as a result of or in connection with entering into this Agreement:
- (a) details of the provisions of this Agreement, the Transactional Documents and any other agreement or arrangement entered into in connection with this Agreement;
  - (b) information relating to the negotiations leading to the execution of this Agreement, the Transactional Documents and any other agreement or arrangement entered into in connection with this Agreement; and
  - (c) (to the extent obtained as a result of or in connection with entering into this Agreement) information relating to the other party or such party’s group undertakings,

provided that the parties shall always be permitted to confirm that the transaction effected by this Agreement has taken place without providing any further information.

- 15.2. Any party may disclose information otherwise required by clause 15.1 to be treated as confidential:

- (a) if and to the extent required by the laws of any relevant jurisdiction, provided that the disclosing party shall, where it is practicable to do so and where permitted under applicable law, notify the other party of such disclosure in writing and take reasonable steps to minimize the extent of any such required disclosure;
- (b) if and to the extent requested by any competent regulatory or governmental body, Tax Authority or securities exchange in any relevant jurisdiction wherever situated, whether or not the request has the force of law and including for the avoidance of doubt, any disclosure required by US accounting regulations;
- (c) to a Tax Authority in connection with the Tax affairs of the disclosing party;
- (d) to its professional advisers, auditors or bankers from time to time provided that such disclosure is reasonably required;
- (e) to its shareholders and/or its limited partners as appropriate;
- (f) in the case of the Buyer, to members of the Buyer's Group and to their professional advisers, auditors or bankers in each case from time to time;
- (g) if and to the extent the information is or comes into the public domain through no fault of that part of any of those to whom that party has disclosed information; or
- (h) if and to the extent, in the case of a Seller, the Buyer or, in the case of the Buyer, the Sellers' Representative, has given prior written consent to the disclosure.

15.3. Each party shall ensure that any person to whom confidential information is disclosed pursuant to clauses 15.2(d) through 15.2(f) is made aware of the obligations of confidentiality contained in this clause and agrees to adhere to them.

15.4. Notwithstanding anything in this Agreement to the contrary, following Completion, the Sellers' Representative shall be permitted to: (i) after the public announcement (if any) of the transaction contemplated by this Agreement, publicly announce that it has been engaged to serve as the Sellers' Representative in connection with the transaction as long as such announcement does not disclose any of the other terms hereof and (ii) disclose information to the Sellers who have a need to know such information provided that any such information will be subject to the confidentiality provisions of this Agreement including clause 15.1.

## 16. COSTS

Except where this Agreement or the relevant document provides otherwise, each party shall pay its own costs relating to the negotiation, preparation, execution and performance by it of this Agreement and of each document referred to in it.

17. **GENERAL**

- 17.1. A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each party, provided that after Completion, any variation may be signed by the Sellers' Representative on behalf of itself and the Sellers provided the Sellers' Representative has the prior written approval of the Sellers Majority. The parties to this Agreement do not require the consent of any person having a right under the Contracts (Rights of Third Parties) Act 1999, as provided in clause 17.7, to rescind or vary this agreement.
- 17.2. The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.
- 17.3. The Buyer's rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law to the extent not excluded or limited by this Agreement.
- 17.4. Except to the extent that they have been performed and except where this Agreement provides otherwise, the obligations contained in this Agreement remain in force after Completion.
- 17.5. Any payment by a Seller, pursuant to a Fundamental Warranty Claim, Special Indemnity Claim or Tax Warranty Claim or a Warrantor, pursuant to a Warrantor Fundamental Warranty Claim or a Business Warranty Claim shall, to the extent possible and without limiting the liability of any Seller or Warrantor (as the case may be) under this Agreement, be treated as a reduction in the purchase price payable by the Buyer for the Shares.
- 17.6. All payments made by a Seller under this Agreement shall be made gross, free of right of counterclaim or set off and without deduction or withholding of any kind other than deductions or withholding required by law.
- 17.7. Except as provided in clauses 10.7 and 11.7, a person who is not a party to this Agreement has no right, including under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

18. **ENTIRE AGREEMENT**

- 18.1. The Transactional Documents constitute the entire agreement between the parties. They supersede any previous agreements relating to the subject matter of the Transactional Documents, and set out the complete legal relationship of the parties arising from or connected with that subject matter.

18.2. Nothing in this clause 19 shall have the effect of limiting any liability arising from fraud or wilful non-disclosure.

19. **ASSIGNMENT**

19.1. Subject to clause 19.2, no right or obligation arising under this Agreement or any other Transactional Document may be assigned, transferred or otherwise disposed of, in whole or in part without the prior written agreement if the assignor is the Buyer, of the Sellers' Representative, or if the assignor is a Seller, of the Buyer.

19.2. The Buyer shall be entitled to assign any benefit arising under or out of this Agreement or any other Transactional Document to any Buyer's Group Undertaking provided that the Buyer enters into a guarantee in a form reasonably satisfactory to the Sellers' Representative and further provided that, if the assignee is to cease to be a Buyer's Group Undertaking it shall, before ceasing to be so, assign the benefit (so far as it is assigned) to another Buyer's Group Undertaking.

19.3. The Buyer agrees that if it makes an assignment pursuant to this clause 19, the assignment shall not increase the liabilities of any Seller.

20. **NOTICES**

20.1. A notice or other communication under or in connection with this Agreement (a “**Notice**”) shall be:

- (a) in writing;
- (b) in the English language; and
- (c) delivered personally or sent by first class post (and air mail if overseas) or fax or email to the party due to receive the Notice to the address set out in clause 20.3 or to an alternative address, person or fax number or email address specified by that party by not less than five Business Days’ written notice to the other party received before the Notice was despatched.

20.2. Unless there is evidence that it was received earlier, a Notice is deemed given if:

- (a) delivered personally, when left at the address referred to in clause 20.3;
- (b) sent by mail, except air mail, two Business Days after posting it;
- (c) sent by air mail, six Business Days after posting it; and
- (d) sent by email, when the email is sent, provided that a copy of the Notice is sent by another method referred to in this clause 20.2 on the same Business Day as the sending of the email, and provided further that the sender of the email does not receive an automated response from the recipient or a mail server indicating that the recipient is out of office or that the email could not be delivered.

20.3. The address referred to in clause 23.1.3 is:



Name of Party	Address	Email address or telephone number	For the attention of
<b>Each Seller</b>	In relation to each Seller, the address set out adjacent to that Seller's name in column A of Schedule 1 (The Sellers).		
<b>Seller's Representative</b>	Shareholder Representative Services LLC 1614 15th Street, Suite 200, Denver, CO 80202, United States	<a href="mailto:deals@srsacquiom.com">deals@srsacquiom.com</a>	Managing Director
<b>The Buyer</b>	201 Gateway Boulevard South San Francisco California United States	[***]	Nick Galli and Alexander Schuth

21. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

22. **GOVERNING LAW**

This Agreement or the performance, enforcement, breach or termination hereof shall be interpreted, governed by and construed in accordance with the laws of England, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

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23. **DISPUTE RESOLUTION**

23.1. If a dispute arises between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith (a “**Dispute**”), it shall be resolved pursuant to this clause 23.

23.2. **General**

Any Dispute shall first be referred to the Chief Executive Officer of the Buyer and the Sellers’ Representative, who shall confer in good faith on the resolution of the issue. Any final decision mutually agreed to by such persons shall be conclusive and binding on the parties to this Agreement. If such persons are not able to agree on the resolution of any such issue within thirty (30) days (or such other period of time as mutually agreed by the Buyer and the Seller’s Representative) after such issue was first referred to them, then either the Buyer or the Sellers’ Representative may, by written notice to the other, elect to initiate an alternative dispute resolution (“**ADR**”) proceeding pursuant to the procedures set forth in clause 23.3 for purposes of having the matter settled.

23.3. **ADR**

Any ADR proceeding under this Agreement (with the exception of that specified in paragraph 11 of Schedule 8) shall take place pursuant to the procedures set forth in clause 15.7.3 of the License Agreement, save that references to “Denali” are references to the Buyer and references to the “Licensor” are references to the Sellers (or relevant Seller).

23.4. **Interim Relief**

Notwithstanding anything herein to the contrary, nothing in this clause 23 shall preclude either party from seeking interim or provisional relief, including a temporary restraining order, preliminary injunction or other interim equitable relief concerning a Dispute following the ADR procedures set forth in clause 23.3, if necessary to protect the interests of such party. This clause shall be specifically enforceable.

23.5. **RIGHTS OF EACH PARTY/NON-WAIVER**

The rights of each party under this Agreement:

- (a) may be exercised as often as necessary;
- (b) except as otherwise expressly provided in this Agreement, are cumulative and not exclusive of rights and remedies provided by law; and
- (c) may be waived only in writing and specifically.

24. **PROCESS AGENTS**

The Buyer irrevocably appoints [\*\*\*] as its process agent to receive on its behalf service of process in any proceedings [\*\*\*]. Service upon the process agent shall constitute good and valid service on the Buyer whether or not the process is forwarded to or received by the Buyer. If for any reason the process agent ceases to act as process agent, resigns [\*\*\*], the Buyer irrevocably agrees to appoint a substitute process agent [\*\*\*] acceptable to the Sellers' Representative and to deliver to the Sellers' Representative a copy of the substitute process agents' acceptance of that appointment within 10 Business Days of the obligation to appoint arising. In the event that the Buyer fails to appoint a substitute process agent, it shall be effective service for the Sellers (or the Sellers' Representative) to serve process upon the last known address [\*\*\*] of the last known process agent for the Buyer notified to the Sellers, notwithstanding that such process agent is no longer found at such address or has ceased to act.

25. **CONFLICT WAIVER**

Notwithstanding that the Company has been represented by Cooley (UK) LLP (the "**Firm**") in the preparation, negotiation and execution of this Agreement and the transactions contemplated hereby, the Company agrees that after Completion the Firm may represent the Sellers' Representative, the Sellers and/or their Affiliates in matters related to this Agreement and the transactions contemplated hereby, including without limitation in respect of any indemnification claims pursuant to this Agreement and the transactions contemplated hereby. The Company hereby acknowledges, on behalf of itself and its Affiliates, that it has had an opportunity to ask for and has obtained information relevant to such representation, including disclosure of the reasonably foreseeable adverse consequences of such representation, and it hereby waives any conflict arising out of such future representation.

IT WITNESS whereof this Agreement has been entered into as a deed and is delivered on the date first aforementioned.

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## SCHEDULE 1

### The Sellers

(A)	(B)	(C)	(D)	(E)	(F)
Name and Address of Seller	No. of Ordinary Shares	No. of Deferred Shares	Proportion of Initial Consideration (%)	Contribution to Expense Fund (US\$)	Contribution to Escrow Account (%)
S.R. One Limited [***]	[***]	[***]	[***]	[***]	[***]
TVM Life Science Ventures VI GmbH & Co. [***]	[***]	[***]	[***]	[***]	[***]
TVM Life Science Ventures VI Limited Partnership [***]	[***]	[***]	[***]	[***]	[***]
Merck Ventures B.V. [***]	[***]	[***]	[***]	[***]	[***]
Coöperative AESCAP Venture I U.A. [***]	[***]	[***]	[***]	[***]	[***]
MP Healthcare Venture Management, Inc. [***]	[***]	[***]	[***]	[***]	[***]
Atlas Venture Fund VII, L.P. [***]	[***]	[***]	[***]	[***]	[***]
John Sørensen Haurum* [***]	[***]	[***]	[***]	[***]	[***]
Tolga Hassan* [***]	[***]	[***]	[***]	[***]	[***]
Jane Dancer* [***]	[***]	[***]	[***]	[***]	[***]
Mihriban Tuna* [***]	[***]	[***]	[***]	[***]	[***]
John Blodgett Edwards [***]	[***]	[***]	[***]	[***]	[***]
Jacqueline Doody [***]	[***]	[***]	[***]	[***]	[***]
Florian Ruker [***]	[***]	[***]	[***]	[***]	[***]
Gordana Wozniak-Knopp [***]	[***]	[***]	[***]	[***]	[***]
Neil Brewis* [***]	[***]	[***]	[***]	[***]	[***]
Mike Davies* [***]	[***]	[***]	[***]	[***]	[***]

[\*\*\*]

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## SCHEDULE 2

### Information about the Company

<b>Registered Number:</b>	10214672
<b>Place of Incorporation:</b>	England and Wales
<b>Address of Registered Office:</b>	Eddeva B920 Babraham Research Campus Cambridge CB22 3AT
<b>Type of Company:</b>	Private company limited by shares
<b>Total Issued Share Capital:</b>	£90.39625 comprising (i) 8,969,550 ordinary shares; and (ii) 70,075 deferred shares, in each case with an aggregate nominal value of £0.00001 with £0.00001 paid up on each share
<b>Directors:</b>	John Edwards Jean-Francois Formela Deborah Harland Tolga Hassan John Haurum Patrick Krol Florian Ruker Helmut Schuehsler
<b>Secretary:</b>	Tolga Hassan
<b>Accounting Reference Date:</b>	31 December
<b>Subsidiaries:</b>	None

## SCHEDULE 3

### Completion Requirements

#### 1. Sellers' Obligations

- 1.1. At Completion, each Seller shall deliver the following documents or items to the Buyer or at the Buyer's direction:
  - 1.1.1. duly executed transfer(s) in respect of that Seller's Relevant Shares to the Buyer or its nominee(s) and the share certificate(s) for such Relevant Shares;
  - 1.1.2. duly executed powers of attorney or other authorities in the agreed form under which this Agreement, the other Transactional Documents and the transfers referred to in paragraph 1.1.1 of this Schedule 3 have been or are to be executed by such Seller; and
  - 1.1.3. (if the Buyer so requires) an irrevocable power of attorney in the agreed form duly executed by such Seller and any other registered owner of such Seller's Relevant Shares in favour of the Buyer or its nominee(s) generally in respect of the Relevant Shares.
- 1.2. At Completion the Sellers shall deliver, procure delivery or make available to the Buyer:
  - 1.2.1. each register, minute book and other book required by law to be kept by the Company made up to the Completion Date and each certificate of incorporation and certificate(s) of incorporation on change of name for the Company;
  - 1.2.2. (if the Buyer so requires) resignations in the agreed form from each director and secretary of the Company expressed to take effect from the end of the meeting held pursuant to paragraph 1.3;
  - 1.2.3. the Management Accounts;
  - 1.2.4. a copy of each bank mandate of the Company and copies of statements of each bank account of the Company made up to a date not earlier than two (2) Business Days before the Completion Date;
  - 1.2.5. a counterpart of the Escrow Agreement duly executed by the Sellers' Representative; and
  - 1.2.6. the Disclosure Letter signed on behalf of each Warrantor.

- 1.3. The Sellers shall ensure that at Completion a meeting of the board of directors of the Company is held at which the directors:
  - 1.3.1. vote in favour of the registration of the Buyer or its nominee(s) as member(s) of the Company in respect of the Shares (subject to the production of properly stamped transfers); and
  - 1.3.2. approve the payment of the Transaction Costs.

**2. Buyer's Obligations**

- 2.1. At Completion, the Buyer shall deliver to the Sellers:
  - 2.1.1. a counterpart of the Escrow Agreement duly executed by the Buyer; and
  - 2.1.2. a counterpart of the Disclosure Letter signed by the Buyer.
- 2.2. At Completion, the Buyer shall procure that the Company shall pay the Transaction Costs to the extent not already paid.



## SCHEDULE 4

### Completion Accounts

#### Part A: Preparation of Completion Accounts

1. The Buyer shall procure that Draft Completion Accounts are prepared in accordance with the provisions of this Part A of Schedule 4 and on the basis of the Accounting Policies.
2. The Draft Completion Accounts shall be delivered to the Sellers' Representative by the Buyer as soon as is reasonably practicable and, in any event, not later than 90 calendar days after Completion.
3. If the Sellers' Representative does not within 30 calendar days of presentation to it of the Draft Completion Accounts give notice to the Buyer that it disagrees with the Draft Completion Accounts or any item therein, stating the reasons for the disagreement in reasonable detail including each disputed item, the amount in dispute and the basis for such dispute (the "**Sellers' Disagreement Notice**"), the Draft Completion Accounts shall constitute the Completion Accounts and shall be final and binding on the parties for all purposes in accordance with paragraph 12 of this Part A of Schedule 4.
4. If the Sellers' Representative gives a Sellers' Disagreement Notice under paragraph 3, the Buyer and the Sellers' Representative shall attempt in good faith to reach agreement in respect thereof (and, if such agreement is reached, the Draft Completion Accounts as amended by the matters set out in the Sellers' Disagreement Notice and agreed by the Buyer and the Sellers' Representative in writing shall constitute the Completion Accounts and shall be final and binding on them for all purposes in accordance with paragraph 12 of this Part A of Schedule 4). If they are unable to do so within 30 calendar days of such notification under paragraph 3 of this Part A of Schedule 4, either party may, by notice to the other (an "**Appointment Notice**"), require that the Draft Completion Accounts be referred to an independent firm of internationally recognised chartered accountants agreed upon by the Buyer and the Sellers' Representative or, failing agreement within five (5) Business Days of service of the Appointment Notice, nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales or in his/her absence a suitable deputy (the "**Reporting Accountants**").
5. The Reporting Accountants shall be engaged jointly by the Buyer and the Sellers (acting through the Sellers' Representative) and the charges (including any VAT) of the Reporting Accountants shall be allocated between the Buyer on the one hand and the Sellers (acting through the Sellers' Representative) on the other by the Reporting Accountants in proportion

to the extent either of such parties did not prevail in the aggregate on the disputed items (as measured by the amounts in dispute). If any amount is payable by the Sellers pursuant to this paragraph 5, such amount shall be paid from the Escrow Account when the Buyer and the Sellers' Representative shall within three (3) Business Days following the date of such election or within five (5) Business Days of the Determination Date (whichever is later) jointly instruct the Escrow Agent in writing to make such payment out of amounts standing to the credit of the Escrow Account.

6. Except to the extent that the Buyer and the Sellers' Representative agree otherwise, the Reporting Accountants shall determine their own procedure but each party shall use all reasonable endeavours to procure that the Reporting Accountants apply the following rules:
  - 6.1. apart from procedural matters and as otherwise set out in this Agreement, they shall determine only:
    - 6.1.1. whether any of the arguments for an alteration to the Draft Completion Accounts put forward in respect of matters specified in the Sellers' Disagreement Notice is correct in whole or in part (unless such matters have been agreed between the Sellers' Representative and the Buyer); and
    - 6.1.2. if so, what alterations (if any) should be made to the Draft Completion Accounts;
  - 6.2. they shall apply the Accounting Policies;
  - 6.3. they shall make their determination pursuant to paragraph 6.1 of this Part A of Schedule 4 as soon as is reasonably practicable;
  - 6.4. the procedure of the Reporting Accountants shall:
    - 6.4.1. give the Buyer and the Sellers' Representative a reasonable opportunity to make oral representations and representations in writing to them;
    - 6.4.2. require that each party supplies the other with a copy of any representations in writing at the same time as they are made to the Reporting Accountants; and
    - 6.4.3. permit each party to be present while oral submissions are being made by the other party;
  - 6.5. for the avoidance of doubt, the Reporting Accountants shall not be entitled to determine the scope of their own jurisdiction; and
  - 6.6. the determination of the Reporting Accountants pursuant to paragraph 6.1 of this Part A of Schedule 4 shall be made in writing.

7. The Reporting Accountants shall act as experts and not as arbitrators and their determination of any matter falling within their jurisdiction shall be final and binding on the parties, save in the event of fraud of the Buyer, any of the Sellers or the Reporting Accountants or manifest error of the Reporting Accountants (when the relevant part of their determination shall be void). In particular, without limitation, their determination shall be deemed to be incorporated into the Draft Completion Accounts, which shall then be final and binding on the parties for the purposes of this Schedule 4, save as stated above in the event of fraud or manifest error.
8. The Buyer and the Sellers' Representative shall co-operate with the Reporting Accountants and comply with their reasonable requests made in connection with the carrying out of their duties pursuant to their engagement under the terms of this Agreement.
9. Subject to paragraph 10 of this Part A of Schedule 4, nothing in this Schedule 4 shall entitle the Buyer or the Sellers' Representative or the Reporting Accountants to have access to any information or document which is protected by legal professional privilege, or which has been prepared by the other party or its accountants or other professional advisers with a view to assessing the merits of any claim or argument.
10. The Buyer and the Sellers' Representative shall not be entitled by reason of paragraph 9 of this Part A of Schedule 4 to refuse to supply such part or parts of documents as contain only the facts on which the relevant claim or argument is based.
11. Each party and the Reporting Accountants shall, and shall procure that its accountants and other advisers shall, keep all information and documents provided to them pursuant to this Part A of Schedule 4 confidential and shall not use them for any purpose, except for disclosure or use in connection with the preparation of the Draft Completion Accounts and the agreement or determination of the Completion Accounts, the proceedings of the Reporting Accountants or any other matter arising out of this Agreement or in defending any claim or argument or alleged claim or argument relating to this Agreement or its subject matter.
12. When the Sellers' Representative and the Buyer reach agreement on the Draft Completion Accounts or when the Draft Completion Accounts is finally determined at any stage in accordance with the procedures set out in this Part A of Schedule 4:
  - 12.1. the Draft Completion Accounts as so agreed or determined shall constitute the Completion Accounts for the purposes of this Agreement and shall (in the absence of fraud or manifest error) be final and binding on the parties; and
  - 12.2. the "**Actual Net Cash**" shall be the amount set out in line item "E" in the Completion Accounts.

13. Subject to paragraph 9 of this Part A of Schedule 4 and clause 15 of the Agreement, each Seller shall (in relation to information in its possession or control only) and the Buyer shall procure that the Company shall (in relation to information in their respective possession or control), promptly provide the parties, their respective advisers, the Buyer's accountants and the Sellers' accountants and, if relevant, the Reporting Accountants with all information (in their respective possession or control) relating to the operations of the Company, as the case may be, including access at all reasonable times to the Company and the employees of the Company (who shall give such explanations as any party may reasonably require in relation to the preparation of the Draft Completion Accounts), books, records, and other relevant information and all cooperation and assistance, as in any such case be reasonably required to enable the production and agreement or determination of the Completion Accounts pursuant to and in accordance with this Part A of Schedule 4; provided however, that the auditors or accountants of the Buyer or the Company shall not be obliged to make any work papers available to any person unless and until such person has signed a customary agreement relating to access to such work papers in form and substance reasonably acceptable to the Buyer and such auditors or accountants.
14. The Sellers (acting through the Seller's Representative) and the Buyer shall each bear their own costs (including legal costs) and expenses (including tax) together with VAT charged thereon, arising out of the preparation and review of the Draft Completion Accounts and the agreement or determination of the Completion Accounts.

**Part B: Completion Accounts**

[\*\*\*]

[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	

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## Part C: Accounting Policies

### 1. General Accounting Policies

- 1.1. The Completion Accounts shall be determined in accordance with the following:
  - (a) first, in accordance with the [\*\*\*];
  - (b) secondly, and to the extent not covered by or inconsistent with paragraph 1.1(a) of this Part C of Schedule 4 (which shall prevail in the event of any inconsistency), on a basis consistent with [\*\*\*]; and
  - (c) thirdly, and to the extent not covered by or inconsistent with paragraphs 1.1(a) or 1.1(b) of this Part C of Schedule 4 (which shall prevail in the event of any inconsistency), [\*\*\*].
- 1.2. The parties acknowledge that the sole purpose of determining the Actual Net Cash is to determine the adjustments (if any) to be made to the Initial Consideration in accordance with clause 3.
- 1.3. The provisions of this Part C of Schedule 4 and the line items comprising the Completion Accounts shall be interpreted so as to avoid double counting (whether positive or negative) of any items to be included in the Actual Net Cash.

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## **Part D: Preparation of Management Accounts**

### **1. ACCOUNTING POLICIES**

#### **a. PRESENTATION OF MANAGEMENT ACCOUNTS**

##### **CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, management make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods.

#### **b. OVERALL CONSIDERATIONS**

The principal accounting policies adopted in the preparation of the management accounts are set out below.

##### **i. BASIS OF PREPARATION OF MANAGEMENT ACCOUNTS**

These management accounts have been prepared in accordance with EU endorsed International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) and the Companies Act 2006 applicable to companies reporting under IFRS. The management accounts have been prepared under the historical cost convention.

##### **ii. GOING CONCERN**

Management prepare management accounts on a going concern basis unless they intend to liquidate the business or to cease trading, or have no realistic alternative but to do so. In deciding whether the going concern basis is appropriate, the directors examine existing budgets and forecasts, assess borrowing requirements, and review other information as needed.

##### **iii. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY**

In any period, new or amended standards and interpretations are considered for adoption. Other standards, amendments and interpretations which are effective for the period are considered where they material to the Company.

#### **c. RECEIVABLES**

Receivables are recognised initially at fair value less provision for impairment. The Company provides an allowance for uncollectible accounts based on prior experience and management's assessment of the collectability of existing specific accounts.

**d. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprises cash on hand and demand deposits, and other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**e. EQUITY AND RESERVES**

Ordinary and preferred shares are classified as equity. Issued capital represents the nominal value of shares that have been issued. Retained earnings includes all current period retained profits and accumulated losses.

**f. TRADE PAYABLES**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities. Trade payables are classified as current liabilities if payment is due within one period or less. If not, they are presented as non-current liabilities.

**g. REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable and is stated net of value added taxes. Revenue is recognised when it is probable that future economic benefits will flow to the Company and those benefits can be measured reliably. Revenue on the sale of an asset (e.g. the outright sale or assignment of a licence) is only recognised when, inter alia, the significant risks and rewards of ownership have been transferred to the buyer and the Company does not retain either control of the goods, or continuing involvement, to the degree associated with ownership.

Where, as part of a licence agreement, services are performed by an indeterminate number of acts over a specified period of time, revenue for such services is recognised on a straight-line basis over the specified period unless there is evidence that some other method represents better the stage of completion.

**h. SHARE BASED PAYMENTS**

A share option compensation charge is not recognised in the monthly management accounts.



**i. TAXATION AND DEFERRED TAX**

A tax credit or charge is not reflected in the monthly management accounts.

Deferred tax is not reflected in the monthly management accounts.

**j. FINANCIAL INSTRUMENTS**

**i. FINANCIAL ASSETS**

All financial assets relate to trade and other receivables, which are stated at their recoverable amount, which approximates the fair value due to the short term nature of these assets.

**ii. RISK MANAGEMENT POLICY**

The Company undertakes transactions denominated in foreign currencies and as such is exposed to currency risk due to fluctuations in foreign exchange rates. The Company does not use derivative instruments to reduce exposure to foreign exchange risk.

**iii. FINANCIAL LIABILITIES**

Trade and other payables are stated at cost. This approximates fair value due to the short term nature of these liabilities.

**k. FOREIGN CURRENCY TRANSLATION**

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the balance sheet date. Gains and losses on foreign exchange are recognised in the income statement.

**SCHEDULE 5**  
**Contingent Consideration**

**Part A: Contingent Consideration**

1. Definitions

In this Schedule 5, and where applicable, the remainder of this Agreement, the following definitions shall apply:

“**Accepted Fcab Target**” has the meaning given to it in the License Agreement, with respect to events and circumstances before Completion and has the meaning given to it in the Gamma IP License with respect to events and circumstances after Completion;

“**Commercialisation**” has the meaning given to it in the License Agreement;

“**Commercially Reasonable Efforts**” has the meaning given to it in the License Agreement;

“**Conforming mAb<sup>2</sup>**” means [\*\*\*];

“**Contingent Consideration**” means any of the Milestone Payments;

“**Default Notice**” has the meaning given to it in paragraph 2.2 of this Part A of Schedule 5;

“**Denali Fcab**” has the meaning given to it in the License Agreement;

“**EU Regulatory Milestone**” means [\*\*\*];

“**European Union**” or “**E.U.**” has the meaning given to it in the License Agreement and shall be deemed to include [\*\*\*];

“**Fcab Delivery**” means, with respect to an Accepted Fcab Target, that an Fcab that specifically binds to such Accepted Fcab Target has achieved “Fcab Delivery” (as defined therein) under Section 4.3 or Section 9.11.1 of the License Agreement or Section 4.1.2 of the Gamma Services Agreement during the applicable Fcab Disclosure Period (as defined therein);

“**First Commercial Sale**” has the meaning given to it in the License Agreement, except that all references to Licensed Products in such definition will be read as references to mAb<sup>2</sup> Products;

“**Fcab**” has the meaning given to it in the License Agreement;

“**Fcab Disclosure Period**” has the meaning given to it in Section 1.3.3 of that certain letter agreement between the Company, F-Star, F-Star GmbH and Buyer dated and entered into on or about May \_\_\_, 2018;

“**GMP**” has the meaning given to it in the License Agreement;

“**Initial Milestone**” has the meaning given to it in the table in Part B of this Schedule 5;

“**Initial Payment True Up Event**” means that [\*\*\*];

“**Joint Fcab**” has the meaning given to it in the License Agreement;

“**Licensor Fcab**” has the meaning given to it in the License Agreement;

“**mAb<sup>2</sup> Product**” means [\*\*\*];

“**Major EU Market**” means [\*\*\*].

“**Milestone Event**” means the relevant event as set out in column 1 of Part B of this Schedule 5, which shall trigger the relevant Milestone Payment. In addition:

- a) where [\*\*\*], it shall be considered a “Milestone Event” in respect of which the Buyer will pay to the Sellers a one-time payment (which shall constitute a “Milestone Payment”) of [\*\*\*];
- b) [intentionally left blank];
- c) [intentionally left blank]; and
- d) [\*\*\*];

“**Milestone Payment**” means, with respect to a Milestone Event:

- a) if [\*\*\*], a payment equal to [\*\*\*] of the “Maximum Milestone Payment” amount set out column 2 of Part B of this Schedule 5 in the row corresponding to the applicable Milestone Event; and
- b) if [\*\*\*], a payment equal to [\*\*\*] of the “Maximum Milestone Payment” amount set out column 2 of Part B of this Schedule 5 in the row corresponding to the applicable Milestone Event;

In no event will more than one Milestone Payment be made for a given Milestone Event, regardless of how many mAb<sup>2</sup> Products achieve such Milestone Event, *except that* [\*\*\*], then a second Milestone Payment shall become due with respect to such Milestone Event, in an amount equal to [\*\*\*] of the “Maximum Milestone Payment” amount set out column 2 of Part B of this Schedule 5 in the row corresponding to the applicable Milestone Event. For clarity, under no circumstances will the total Milestone Payments that the Buyer becomes obligated to make in respect to a given Milestone Event exceed the “Maximum Milestone Payment” amount set out column 2 of Part B of this Schedule 5 in the row corresponding to the applicable Milestone Event;

“**Net Sales**” means, with respect to a mAb<sup>2</sup> Product for any period, the total amount billed or invoices on sales of such mAb<sup>2</sup> Product during such period by the Buyer, its Affiliates or sublicensees, calculated in accordance with the definition of “Net Sales” used in the License Agreement, and reading all references to Licensed Products in such definition as references to mAb<sup>2</sup> Products;

“**Non-conforming mAb<sup>2</sup>**” means a mAb<sup>2</sup> Product that is not a Conforming mAb<sup>2</sup>;

“**Payment Date**” means the date which is 90 calendar days after any date on which a Milestone Payment is triggered;

“**Regulatory Approval**” has the meaning given to it in the License Agreement;

“**Relevant Period**” means the period from Completion until [\*\*\*];

“**Remaining Amount**” means the aggregate Contingent Consideration payable pursuant to [\*\*\*] minus the aggregate Contingent Consideration actually paid by the Buyer pursuant to [\*\*\*] prior to the date of delivery of a Default Notice;

“**Risk-Adjusted Remaining Amount**” means [\*\*\*];

“**Total Contingent Consideration**” means the aggregate of the Milestone Payments; and

“**US Regulatory Milestone**” means [\*\*\*].

## 2. **Conduct of business during Relevant Period**

### *Commercially Reasonable Efforts*

2.1. The Buyer shall during the Relevant Period use Commercially Reasonable Efforts to achieve both of the EU Regulatory Milestone and the US Regulatory Milestone. The Sellers acknowledge and agree that, in addition to the foregoing:

- (a) the Buyer shall be deemed to have satisfied its obligations under this paragraph 2.1 of Schedule 5 so long as the Buyer is using Commercially Reasonable Efforts to advance [\*\*\*] toward achievement of the [\*\*\*];
- (b) the Buyer shall have the right to satisfy its diligence obligations under this paragraph 2.1 of Schedule 5 through its Affiliates or Sublicensees; and
- (c) nothing in this paragraph 2.1 of Schedule 5 is intended, or shall be construed, to require the Buyer to Develop:
  - (i) [\*\*\*]; or
  - (ii) [\*\*\*]

2.2. If at any time the Sellers have a reasonable basis to believe that the Buyer is in material breach of its obligations under paragraph 2.1 of Schedule 5 and such material breach has continued for a period of at least [\*\*\*] (a “**Continuing Material Breach**”), then the Sellers shall cause the Sellers’ Representative to deliver written notice (the “**Default Notice**”) of such Continuing Material Breach to the Buyer and, if the Buyer fails to remedy such Continuing Material Breach within 60 days of receipt of the Default Notice, then the provisions of paragraph 2.3 shall apply.

- 2.3. If the Buyer is in Continuing Material Breach of its obligations under paragraph 2.1 and following receipt of a Default Notice fails to remedy such Continuing Material Breach within the time period set out in paragraph 2.2, then the Sellers' Representative may, by written notice to the Buyer, elect to initiate an ADR proceeding pursuant to the procedures set forth in clause 23.3, and the arbitrators for such ADR proceeding shall be instructed and required to conduct a proceeding for the sole purposes of [\*\*\*]. In the event [\*\*\*] the Buyer is in Continuing Material Breach of its obligations under paragraph 2.1, the Buyer shall pay to the Sellers [\*\*\*] the Risk-Adjusted Remaining Amount.
- 2.4. Any amount to be paid by the Buyer pursuant to paragraph 2.3:
- (a) to the Cash Sellers, shall be paid by transfer of the relevant funds for same day value to the Payments Administrator,
  - (b) to the Loan Note Sellers, shall be paid by the issue by the Buyer of Contingent Consideration Loan Notes to each of the Loan Note Sellers equal, in principal amount, to the relevant amount due to each of them pursuant to paragraph 2.3,
- in each case shall be made within 30 Business Days of the expiry of the time period set out in paragraph 2.2 without set off, deduction or withholding (except as required by law or by this Agreement).
- 2.5. The Sellers agree between themselves that any payments to the Payments Administrator pursuant to paragraph 2.4 shall be apportioned, and the principal amount of any Contingent Consideration Loan Notes issued pursuant to paragraph 2.4 shall be calculated, by reference to the Sellers' respective Proportion of Initial Consideration. The Buyer shall not be responsible for how any such payment to the Payments Administrator is allocated or applied by the Payments Administrator.
- 2.6. A payment or issue of Contingent Consideration Loan Notes by the Buyer pursuant to paragraph 2.3 shall not discharge the Buyer of its obligation to pay any further Contingent Consideration (if any) above the amounts paid to the Sellers in accordance with paragraph 2.3 upon achievement of the relevant Milestone Events.
- 2.7. The parties acknowledge that:
- (a) any provision in this Agreement that imposes a detriment on a party in breach, in particular as set out in paragraph 2.3 of this Part A of Schedule 5, represents a genuine pre-estimate of the loss expected to be suffered by the party not in breach, and:
    - (i) protects the legitimate interests of the other parties in the enforcement of the obligation breached; and

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

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- (ii) is not out of all proportion to those legitimate interests; and
- (b) they are of comparable bargaining power and each of them has been properly advised in relation to this Agreement.

*Record Keeping and Reporting*

- 2.8. The Buyer agrees that during the period whilst further Contingent Consideration is payable in accordance with this Schedule 5 it shall, and shall procure that each other Buyer's Group Undertaking shall:
- (a) prepare and maintain reasonably complete and accurate records regarding any Commercialisation or Development efforts which relate to any mAb<sup>2</sup> Product and all other data necessary for the calculation of the Contingent Consideration;
  - (b) once per calendar year, on 31 January, and subject to reasonable procedures and agreements to preserve confidentiality, provide the Sellers' Representative with a written report on material developments with respect to the Development and Commercialisation of any mAb<sup>2</sup> Product, together with such reasonable additional information regarding any such activities or events as the Sellers' Representative may reasonably request from time to time (subject to any applicable third party confidentiality restrictions) which shall include copies of relevant documents as requested by the Sellers' Representative; and
  - (c) once per calendar year during the Relevant Period, within 30 days of the Sellers' Representative's written request, meet in person or by telephone with the Sellers' Representative. At such meetings, the Buyer shall cause senior officers from the research, clinical development, and business operations of the Buyer and/or the Buyer's Group Undertakings to attend, to present and to answer questions. Each of the Buyer and the Sellers' Representative (on behalf of the Sellers) shall bear its own costs and expenses regarding such meetings.
- 2.9. Upon receipt of a request from the Sellers' Representative, the Buyer shall, and shall ensure each of Buyer's Group Undertakings shall, permit an independent auditor designated by the Sellers' Representative to inspect and audit the records and books of account maintained by it pursuant to paragraph 2.8 in order to confirm the accuracy and completeness of such records and books of account and the calculation of the Contingent Consideration. Any such audit shall (i) be for a reasonable duration during office hours on a Business Day; (ii) be upon notice of at least 30 days; and (iii) not be requested more than once during each financial year of the period during which any Contingent Consideration remains payable. The Sellers' Representative (on behalf of the Sellers) shall pay the costs of each audit unless the audit reveals a variance of more than [\*\*\*] between the amounts paid and the amounts

due, in which case the Buyer shall bear the cost of the audit, *provided, however*, that in the event the audit pertains to achievement of a Milestone Event relating to the Buyer's Net Sales, the Sellers' Representative (on behalf of the Sellers) shall pay the costs of each audit unless the audit reveals a variance of more than [\*\*\*] between the Net Sales reported by Buyer and the Net Sales determined by the audit. If the audit reveals an underpayment by the Buyer, the Buyer shall transfer the amount by which it had underpaid by transfer of funds for same day value to the Payments Administrator for further distribution to the Sellers within 10 Business Days after the date on which such audit is completed.

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**Part B: Milestone Payment Amounts**

<b>Column 1: Milestone Event</b>	<b>Column 2: Maximum Milestone Payment (US\$)</b>
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
<b>TOTAL =</b>	[***]

\* The maximum Milestone Payment for this Milestone Event shall be increased by [\*\*\*].

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## SCHEDULE 6

[\*\*\*]

### Part A: [\*\*\*]

#### 1. CAPACITY AND AUTHORITY

- 1.1. The Seller has the right, power and authority to execute, deliver and perform its obligations under this Agreement and any other Transactional Document to be executed by the Seller and, where the Seller is not an individual, all such obligations of the Seller have been duly and validly approved and authorized by all necessary action on the part of such Seller, and no other action on the part of such Seller is required in connection therewith.
- 1.2. If such Seller is not an individual, it has been duly incorporated and is validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or constituted (to the extent that such concepts are recognised in such jurisdiction).
- 1.3. The Seller's obligations under this Agreement and any other Transactional Document to be executed by the Seller are, or when the relevant document is executed will be, enforceable in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles
- 1.4. The execution and delivery of, and the performance by the Seller of its obligations under, this Agreement and any of the Transactional Documents will not:
  - (a) if relevant, result in a breach of any provision of its articles of association or by-laws;
  - (b) result in a breach of, or constitute a default under, any instrument to which the Seller is a party or by which the Seller is bound where such breach may prejudice the transactions contemplated by this Agreement or any of the Transaction Documents; or
  - (c) result in a breach of any order, judgment or decree of any court or Authority to which the Seller is a party or by which the Seller is bound or submits where such breach may prejudice the transactions contemplated by this Agreement or any of the Transaction Documents.

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## 2. **SHARES**

- 2.1. The Seller's Relevant Shares constitute the whole of the Seller's interest in the allotted and issued share capital of the Company and the Seller does not exercise voting power over any other outstanding shares or other equity interests of the Company.
- 2.2. The Seller is entitled to sell and transfer or procure the transfer of the full legal and beneficial ownership of its Relevant Shares to the Buyer on the terms set out in this Agreement.
- 2.3. The Shares registered in the name of the Seller and set out opposite his name at columns B and C (as applicable) of Schedule 1 have been properly allotted and issued and are fully paid and such Shares will be sold free of all Encumbrances and there is no agreement, arrangement or obligation to give or create any such Encumbrance. No person has claimed to be entitled to an Encumbrance in relation to any such Shares.

### **Part B: [\*\*\*]**

## 1. **SHARES**

- 1.1. At Completion, the Shares are registered in the name of the Sellers and set out opposite their names at columns B and C (as applicable) of Schedule 1 and constitute the entire issued share capital of the Company, have been properly allotted and issued and are fully paid or credited as fully paid.
- 1.2. Other than this Agreement, the Transaction Documents, the Shareholders' Agreement or as referred to or contemplated by this Agreement, there is no agreement, arrangement or obligation requiring the creation, allotment, issue, transfer, redemption or repayment of, or the grant to a person by the Company of the right (conditional or not) to require the allotment, issue, transfer, redemption or repayment of, a share in the capital of the Company (including an option or right of pre-emption or conversion).
- 1.3. So far as the Warrantors are aware, no person has claimed to be entitled to an Encumbrance in relation to any Shares.
- 1.4. Save for this Agreement, the Transaction Documents, the Company's articles of association and the Shareholders' Agreement, there are no contracts relating to voting, purchase, sale or transfer of any Shares (i) between or among the Company and any Shareholder, and (ii) so far as the Warrantors are aware, between or among any of the Shareholders.

## 2. **THE GROUP**

- 2.1. The Company does not have, and has not at any time had, any subsidiary undertakings.

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- 2.2. Other than as contemplated by this Agreement, the Company has no interest in, and has not agreed to acquire an interest in or merge or consolidate with, a corporate body or any other person.
- 2.3. The information contained in Schedule 1 (*The Sellers*) and Schedule 2 (*Information about the Company*) is true and accurate.

## SCHEDULE 7

[\*\*\*]

### 1. ORGANIZATION

- 1.1 The Company is a company duly incorporated and validly existing under the laws of England and Wales and has the right, power and authority to execute, deliver and perform its obligations under this Agreement and any other Transactional Document to be executed by it.
- 1.2 The Company's obligations under this Agreement and any other Transactional Documents to be executed by the Company are, or when the relevant document is executed will be, enforceable in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles.

### 2. ACCOUNTS

#### 2.1 General

- 2.1.1 The Accounts have been prepared and audited on a proper and consistent basis in accordance with the law and applicable standards, principles and practices generally accepted in the United Kingdom.
- 2.1.2 The Accounts show a true and fair view of the state of affairs of the Company as at the Last Accounting Date and of the profit or loss of the Company for the financial year ended on the Last Accounting Date.
- 2.1.3 Save as disclosed in the Accounts, the Accounts have been prepared using the same accounting policies as those adopted and applied in preparing the accounts for the previous two years.

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2.1.4 The Company does not have any liabilities of any nature other than (i) those set forth or adequately provided for in the Accounts, (ii) those incurred in the conduct of the Company's business since the Last Accounting Date in the ordinary course, and which, individually or in the aggregate, are not material in nature or amount and do not result from any breach by the Company of any contract, warranty, infringement, tort or violation of law to which it is subject, and (iii) those incurred by the Company in connection with the execution of this Agreement. Except for liabilities reflected in the Accounts, the Company has no off balance sheet liability of any nature to, or any material financial interest in, any third party or entities, the purpose or effect of which is to defer, postpone, reduce or otherwise avoid or adjust the recording of expenses incurred by the Company. Without limiting the generality of the foregoing, the Company has never guaranteed any debt or other obligation of any other person.

## 2.2 **Provision for Tax**

The Accounts include provision or reserve (as appropriate) in accordance with the relevant accounting standards for Tax liable to be assessed on the Company or for which the Company is accountable in respect of profits earned, accrued or received on or before the Last Accounting Date, and in respect of any event occurring on or before the Last Accounting Date.

## 2.3 **Accounting records**

The Company's accounting records are up-to-date in all material respects, are in its possession or under its control and are properly completed in accordance with the law and applicable standards, principles and practices generally accepted in the United Kingdom.

## 3. **CHANGES SINCE THE LAST ACCOUNTING DATE**

### 3.1 Since the Last Accounting Date:

3.1.1 the Company's business has in all material respects been operated in the usual way so as to maintain it as a going concern;

3.1.2 there has been no material adverse change in the financial or trading position of the Company or the properties, assets (including intangible assets), liabilities, business, prospects, capitalization, employees, operations or results of operations of the Company or any change that would reasonably be expected to materially impede or delay the Company's ability to consummate the transactions contemplated by this Agreement, other than any event, circumstance or change resulting from changes in stock markets, interest rates, exchange rates, commodity prices or other general economic conditions or changes in conditions affecting the industry generally in which the Company operates;

3.1.3 the Company has not made or entered into any contract or letter of intent with respect to, or otherwise effected, any acquisition, sale, license, disposition or transfer of any

asset that is material to the business of the Company, including without limitation, Intellectual Property other than IP Licenses Out;

- 3.1.4 there has not occurred any change in accounting methods or practices (including any change in depreciation or amortization policies or rates or revenue recognition policies or establishment of reserves) by the Company or any revaluation by the Company of any of its assets;
- 3.1.5 there has not occurred any declaration, setting aside, or payment of a dividend or other distribution with respect to any securities of the Company, or any redemption, purchase or other acquisition by the Company of any of its securities, or any change in any rights, preferences, privileges or restrictions of any of its outstanding securities;
- 3.1.6 the Company has not entered into, amended, renewed or terminated any Material Contract (as hereinafter defined), and there has not occurred any material default or breach under any Material Contract to which the Company is a party or by which it is, or any of its assets and properties are, bound;
- 3.1.7 the Company has not incurred, created or assumed any Encumbrance on any of its assets or properties, any material indebtedness, or any liability as guarantor or surety with respect to the obligations of any other person; and
- 3.1.8 the Company has not paid or discharged any Encumbrance or liability which was not shown on the Accounts or incurred in the ordinary course of business consistent with past practice since the Last Accounting Date.

#### 4. **TAX**

- 4.1 The Company has, within the last three years, where legally obliged to do so:
  - 4.1.1 duly and punctually paid all Tax which it has become liable to pay, whether or not shown or required to be shown on any Tax return;
  - 4.1.2 duly deducted, withheld or collected for payment (as appropriate) all Tax due to have been deducted, withheld or collected for payment and has accounted for or paid all such Tax to the relevant Tax Authority (to the extent due); and
  - 4.1.3 not been liable to pay any material interest, penalty or surcharge in respect of any unpaid Tax.
- 4.2 All returns, computations, information, accounts and notices which are or have been required by law to be made or given by the Company within the last three years for any Tax purposes have been made or given in the required form and have been properly submitted by the Company and are complete and accurate in all material respects.
- 4.3 The Company has, in the last three years, in all material respects, complied at all times with all statutory requirements, regulations, notices, orders, directions and conditions relating to

all relevant Taxes, including the terms of any agreement made with HMRC or any other relevant Tax Authority.

- 4.4 The Company is not, nor has it at any time within the last three years, been involved in any dispute with or non-routine investigation, audit or discovery by any Tax Authority and, so far as the Warrantors are aware, no such dispute, investigation, audit or discovery is planned.
- 4.5 There are no liens or encumbrances against any of the Company's assets, arising in connection with a failure to pay any Tax.
- 4.6 In the last three years, each related party transaction involving the Company is and has been at arm's-length in all material respects and determined in compliance in all material respects with applicable transfer pricing rules and regulations.
- 4.7 The Company does not have any outstanding waivers or extension of the statute of limitations for assessment of any Tax.
- 4.8 The Company is not a party to, or bound by, any Tax indemnity agreement, Tax sharing agreement or Tax allocation agreement with respect to Taxes (other than any agreement entered into in the ordinary course of business and not primarily related to Taxes) and other than this Agreement, the Spin-Out License, and the License Agreement and any other agreement contemplated by any such agreements. The Company is not liable for Taxes of any other Person (i) under any applicable Law, (ii) as a transferee of any assets or successor to any liabilities, or (iii) by Contract, indemnity or otherwise, including by reason of the transactions contemplated by the Gamma IP License.
- 4.9 In the last three years, no written claim has been made by any Tax Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to Taxation by that jurisdiction.
- 4.10 The Company will not, after the Completion Date, be liable under any applicable Law, by Contract, indemnity or otherwise as a transferee of any assets or successor to any liabilities, for any Taxes of F-star, F-star GmbH, or any of their Affiliates as a result of (i) the Company's entry into, and transactions contemplated by, the Gamma IP License, the License Agreement and the Services Agreement and/or (ii) the transactions contemplated by the Option Agreement and this Agreement other than VAT as provided for in any agreement.

## 5. ASSETS

### 5.1 Title and condition

5.1.1 Each asset included in the Accounts or acquired by the Company since the Last Accounting Date is:

- (a) legally and beneficially owned solely by the Company;
- (b) where capable of possession, in the possession or under the control of the Company.

5.1.2 Company owns or has the right to use each asset used in and necessary for the effective operation of its business.

## 6. **INTELLECTUAL PROPERTY**

The Company owns, or has rights to use, all Intellectual Property materially necessary for the Company to operate its business.

### 6.1 **Registered Owned IP**

6.1.1 The Disclosure Letter sets out details of all material registered Intellectual Property owned by the Company ("**Registered Owned IP**"). The Company solely owns the Registered Owned IP.

6.1.2 To the best of the knowledge, information and belief of the Warrantors, (i) there are no issued patents or registered trademarks within the Registered Owned IP that are invalid or unenforceable and (ii) there are no patent applications included within the Registered Owned IP that have not been duly filed and diligently prosecuted.

6.1.3 The Company has received an assignment of rights from each inventor listed in the patents and patent applications included in the Disclosure Letter save in the case of those inventors which are employees of the Company and whose inventions vest in the Company by virtue of their employment relationship. The Company is the sole legal and beneficial owner of each of the patents and patent applications.

6.1.4 All issuance, renewal and maintenance fees due up to and including the date of this Agreement in respect of each of the Registered Owned IP have been paid in full and on time.

### 6.2 **No infringement by Company of third party Intellectual Property**

6.2.1 To the best of the knowledge, information and belief of the Warrantors, the activities of the Company, and the practice of the inventions claimed under the Registered Owned IP, do not nor have they in the year prior to the date of this Agreement infringed, misappropriated, misused, violated or otherwise made use without authorisation of any third party Intellectual Property nor has any person threatened to the Company in writing to issue such a notice.

6.2.2 To the best of the knowledge, information and belief of the Warrantors, the Company has not issued any opposition, invalidation, revocation or cancellation proceeding or any other proceeding or counterclaim (including any litigation, arbitration or proceeding pursuant to any other dispute resolution mechanism) concerning the validity, enforceability or title to any Intellectual Property of any third party.

### 6.3 **IP Licenses In and IP Licenses Out**



- 6.3.1 Copies of all material licenses of Intellectual Property granted by the Company (“**IP Licenses Out**”) and granted to the Company (“**IP Licenses In**”) are included in the Disclosure Bundle.
- 6.3.2 To the best of the knowledge, information and belief of the Warrantors, no IP License In or IP License Out is currently being, or has at any time been, breached in a material way by the Company or to the best of the Warrantors’ knowledge, information and belief, by any other party thereto. So far as the Warrantors are aware, the rights granted under the IP Licenses In and IP Licenses Out will not be adversely affected by the transactions contemplated by this Agreement.
- 6.3.3 To the best of the knowledge, information and belief of the Warrantors, all fees, royalties or other amounts due to be paid by or to the Company in respect of any IP License In or IP License Out have been paid in a timely manner and no such payments have been outstanding for more than 60 days.

#### 6.4 **Company Confidential Information**

- 6.4.1 To the best of the knowledge, information and belief of the Warrantors, all Company Confidential Information held by the Company is accurately and properly documented to enable the Buyer to acquire and retain its full benefit and is subject to appropriate storage and security measures to preserve the confidentiality and secrecy of such Company Confidential Information.
- 6.4.2 To the best of the knowledge, information and belief of the Warrantors, the Company has not disclosed any Company Confidential Information to any person other than (i) its employees and advisors who are bound by obligations of confidence (howsoever arising); (ii) in circumstances where such disclosures have been made in the ordinary course of business; and (iii) pursuant to the IP Licenses Out and the IP Licenses In.

### 7. **INSURANCE**

#### 7.1 **Policies**

The Disclosure Letter sets out a list of insurance policies maintained by or on behalf of the Company (together the “**Policies**”);

#### 7.2 **Status of the Policies**

Each of the Policies is valid and enforceable and the Warrantors are not aware of any circumstances that would render any of them void or voidable.

#### 7.3 **Premiums**

All premiums which are due under the Policies have been paid.

### 8. **MATERIAL CONTRACTS**

## 8.1 **Validity of Material Contract**

8.1.1 Save for the Transaction Documents, the Company is not a party to or bound by any of the following contracts (each a “**Material Contract**”):

- (a) any contract limiting the freedom of the Company to engage or participate, or compete with any other person, in any line of business, market or geographic area, or to make use of any Intellectual Property, or any contract granting exclusive rights, rights of refusal, rights of first negotiation or similar rights and/or terms to any person, or any contract otherwise limiting the right of the Company to sell, distribute or manufacture any products or services or to purchase or otherwise obtain any products or services;
- (b) any licenses, sublicenses and other contracts pursuant to which any person is granted any rights to Intellectual Property of the Company or pursuant to which the Company has agreed to any restriction on the right of the Company to use or enforce any Intellectual Property owned by the Company or pursuant to which the Company agrees to encumber, transfer or sell rights in or with respect to any Intellectual Property owned by the Company; or
- (c) any other contract or obligation that individually had or has a value or payment obligation in excess of US\$50,000 over the life of the contract or is otherwise material to the Company or its businesses, operations, financial condition, properties or assets.

8.1.2 Each of the Material Contracts is in full force and effect, subject only to the effect, if any, of applicable bankruptcy and other similar laws affecting the rights of creditors generally and rules of law governing specific performance, injunctive relief and other equitable remedies.

8.1.3 No party to a Material Contract has given notice of its intention to terminate to the Company, or has sought to repudiate or disclaim, the Material Contract.

8.1.4 Neither the Company nor, so far as the Warrantors are aware, any party with whom the Company has entered into a Material Contract is in material breach of the Material Contract.

8.1.5 So far as the Warrantors are aware, no circumstances exist which would give rise to any breach of any Material Contract or to any such Material Contract being terminated or varied without the Company’s consent (other than termination without cause upon notice in accordance with the terms of the agreement).

## 9. **EFFECT OF SALE**

Neither the execution nor the performance of this Agreement or any document to be executed at or before the Completion Date will result in the Company losing the benefit of any material asset, grant, subsidy, right or privilege which it enjoys at the date of this Agreement.

## 10. **LIABILITIES**

### 10.1 **Indebtedness**

The Company does not have outstanding and has not agreed to create or incur loan capital, borrowings, indebtedness in the nature of borrowings other than the trade debt incurred in the ordinary and usual course of trading.

### 10.2 **Guarantees and indemnities**

The Company is not a party to and is not liable under a guarantee, indemnity or other agreement to secure or incur a financial or other obligation with respect to another person's obligation.

### 10.3 **Grants**

10.3.1 The Company is not liable to repay an investment or other grant or subsidy made to it by a body (including the Department for Business, Innovation and Skills or its predecessor).

10.3.2 No fact or circumstance (including the execution and performance of this Agreement) exists which might entitle a body to require repayment of, or refuse an application by the Company for, the whole or part of a grant or subsidy.

## 11. **RESTRICTIONS ON BUSINESS ACTIVITIES**

Other than the Transaction Documents, there is no contract, judgment, injunction, order or decree binding upon the Company as of the date of this Agreement which has or would reasonably be expected to have, whether before or after Completion, the effect of prohibiting, restricting or impairing any current or presently proposed business practice of the Company, any acquisition of property by the Company or the conduct or operation of the Company's business or limiting the freedom of the Company to engage in any line of business, to sell, license or otherwise distribute services or products in any market or geographic area, or to compete with any person.

## 12. **SERVICE PROVIDERS**

12.1 The Company has never employed or engaged any employees, consultants, advisory board members, or independent contractors. The Company has never maintained or offered any:

12.1.1 employee benefit plans;

12.1.2 loan to any independent contractor or consultant;

12.1.3 stock option, stock purchase, phantom stock, stock appreciation right, supplemental retirement, severance, sabbatical, medical, dental, vision care, disability, employee relocation, cafeteria benefit, dependent care, life insurance or accident insurance plans, programs or arrangements;

12.1.4 bonus, pension, profit sharing, savings, severance, retirement, deferred compensation or incentive plans, programs or arrangements;

12.1.5 other fringe or employee benefit plans, programs or arrangements; or

12.1.6 employment or executive compensation or severance agreements, written or otherwise.

12.2 None of the execution and delivery of this Agreement, the Completion or any other transaction contemplated hereby or any termination of employment or service or any other event in connection therewith or subsequent thereto will, individually or together or with the occurrence of some other event:

12.2.1 result in any payment (including severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any person;

12.2.2 increase or otherwise enhance any benefits otherwise payable by the Company;

12.2.3 result in the acceleration of the time of payment or vesting of any such benefits;

12.2.4 obligate the payment of compensation to any person; or

12.2.5 result in the forgiveness in whole or in part of any outstanding loans made by the Company to any person.

### 13. **INTERESTED PARTY TRANSACTIONS**

None of the officers and directors of the Company and, as far as the Warrantors are aware, none of the employees of the Company or Shareholders, nor, so far as the Warrantors are aware, any immediate family member of an officer, director, employee or Shareholder, has any direct or indirect ownership, participation, or other interest in, or is an officer, director, employee of or consultant or contractor for any firm, partnership, entity or corporation that competes with, or does business with, or has any contractual arrangement with, the Company (except with respect to (i) F-star or F-star GmbH or (ii) any interest in less than five per cent (5%) of the issued share capital of any Company whose shares are publicly traded). None of said officers, directors or Shareholders or, so far as the Warrantors are aware, any employees or member of their immediate families of the foregoing, is a party to or otherwise directly interested in, any contract to which the Company is a party or by which the Company or any of its assets or properties may be bound or affected in a material manner. As far as the Warrantors are aware, none of said officers, directors, employees or Shareholders has any material interest in any property, real or personal, tangible or intangible (including any Intellectual Property) that is directly related to the business of the Company.

### 14. **COMPLIANCE WITH OPTION AGREEMENT**

At all times since the Effective Date (as defined in the Option Agreement) the Company has complied in all material respects with its covenants set forth in the Option Agreement.

## 15. **INSOLVENCY, WINDING UP ETC.**

### 15.1 **Winding up**

No order has been made, petition presented or resolution passed for the winding up of the Company or for the appointment of a liquidator or provisional liquidator to the Company.

### 15.2 **Administration**

No administrator has been appointed in relation to the Company. So far as the Warrantors are aware, no notice has been given or filed with the court of an intention to appoint an administrator. No petition or application has been presented or order made for the appointment of an administrator in respect of the Company.

### 15.3 **Receivership**

No receiver or administrative receiver has been appointed, nor any notice given of the appointment of any such person, over the whole or part of the Company's business or assets.

### 15.4 **Moratorium**

No moratorium has been sought or has been granted under section 1A of the Insolvency Act 1986 in respect of the Company.

### 15.5 **Voluntary arrangements**

No voluntary arrangement has been proposed under section 1 of the Insolvency Act 1986 in respect of the Company.

### 15.6 **Scheme of arrangement**

No compromise or arrangement has been proposed, agreed to or sanctioned under Part 26 (Arrangements and Reconstructions) of the Act in respect of the Company, nor has any application been made to, or filed with, the court for permission to convene a meeting to vote on a proposal for any such compromise or arrangement.

### 15.7 **Informal arrangements with creditors**

The Company has not proposed or agreed to a composition, compromise, assignment or arrangement with any of its creditors.

### 15.8 **Inability to pay debts**

The Company is not unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986. There are no unsatisfied written demands that have been served on the Company pursuant to section 123(1)(a) of the Insolvency Act 1986. There is no unsatisfied judgment or court order outstanding against the Company.

### 15.9 **Payment of debts**

The Company has not stopped payment of, nor is it unable to pay, its debts as they fall due, nor has the Company commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness.

**15.10 Distress**

No distress, execution, attachment, sequestration or other process has been levied on an asset of the Company which remains undischarged.

**15.11 Striking out**

No action is being taken by the Registrar of Companies to strike the Company off the register under section 1000 of the Act.

**15.12 Analogous proceedings**

The Company is not, in any jurisdiction, subject to or threatened by any other procedures or steps which are analogous to those set out above.

**16. COMPETITION**

So far as the Warrantors are aware, the Company has not failed to comply with or infringed the competition laws or regulations of any jurisdiction or been investigated for alleged non-compliance or infringement or given any undertaking in connection therewith.

**17. LITIGATION AND COMPLIANCE WITH LAW**

Nothing in this Warranty concerns any matters concerned with any Intellectual Property.

For the purposes of this paragraph 12:

“**Agent**” means, with respect to an entity, any director, officer, employee or other representative of such entity; any person for whose acts such entity may be vicariously liable; and any other person that acts for or on behalf of, or provides services for or on behalf of, such entity, in each case, whilst acting in his capacity as such;

**17.1 Litigation**

17.1.1 Neither the Company nor, so far as the Warrantors are aware, a person for whose acts or defaults the Company may be vicariously liable is involved, or has been involved, in a civil, criminal, arbitration, administrative or other proceeding. The Company has not received written notice that any civil, criminal, arbitration, administrative or other proceeding is pending or threatened by or against the Company or the assets or properties of the Company, or any of the directors, officers or employees of the Company (in their capacities as such or relating to their employment, services or relationship with the Company) or, so far as the Warrantors are aware, a person for whose acts or defaults the Company may be vicariously liable. So far as the Warrantors are aware, there is no reasonable basis for any action,

suit, proceeding, claim, mediation, arbitration or investigation against the Company or the assets or properties of the Company, or any of the directors, officers or employees of the Company (in their capacities as such or relating to their employment, services or relationship with the Company) or a person for whose acts or defaults the Company may be vicariously liable.

17.1.2 There is no outstanding judgment, order, decree, arbitral award or decision of a court, tribunal, arbitrator or governmental agency against the Company, any of its assets or properties, or a person for whose acts or defaults the Company may be vicariously liable.

17.1.3 So far as the Warrantors are aware, there is no reasonable basis for any Person to assert a claim against the Company based upon the Company entering into this Agreement or any of the Transaction Documents.

## 17.2 **Compliance with law**

17.2.1 The Company has conducted its business and dealt with its assets in all material respects in accordance with applicable legal and administrative requirements.

17.2.2 The Company has obtained each governmental consent, license, permit, grant, or other authorization of a governmental entity that is required for the operation of the Company's business or the holding of its assets or properties (all of the foregoing consents, licenses, permits, grants, and other authorizations, collectively, the "**Company Authorizations**") and all of the Company Authorizations are in full force and effect. The Company has not received any notice or other communication from any governmental entity regarding (i) any actual or possible violation of law or of any Company Authorization or any failure to comply with any term or requirement of any Company Authorization or (ii) any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any Company Authorization. None of the Company Authorizations will be terminated or impaired, or will become terminable, in whole or in part, as a result of the consummation of the transactions contemplated by this Agreement.

## 17.3 **Investigations**

There is not and has not been any governmental or other investigation, enquiry or disciplinary proceeding concerning the Company that the Company has been notified of and, so far as the Warrantors are aware, none is pending or threatened.

## 17.4 **Making unlawful payments**

Neither the Company nor, so far as the Warrantors are aware, any of its Agents has paid, offered, promised, given or authorised the payment of money or anything of value directly or indirectly to any person:

17.4.1 intending to induce a person to improperly perform a function or activity or to reward a person for any such performance; or

17.4.2 while knowing or believing that the acceptance by that person would constitute the improper performance of a function or activity.

**17.5 Receiving unlawful payments**

Neither the Company nor so far as the Warrantors are aware, have any of its Agents has directly or indirectly requested, agreed to receive or accepted money or anything of value:

17.5.1 as a reward for the improper performance of a function or activity by any person;

17.5.2 in circumstances which amount to an improper performance of a function or activity; or

17.5.3 intending that as a consequence of any such request, agreement to receive or acceptance a function or activity will be performed improperly.



## SCHEDULE 8

### Limitations on Sellers' Liability

#### 1. LIMITATION ON QUANTUM

- 1.1. No Warrantor shall be liable in respect of [\*\*\*] unless and until the amount that would otherwise be recoverable from the Warrantors (in aggregate) in respect of [\*\*\*], when aggregated with any other amounts recoverable in respect of [\*\*\*] exceeds [\*\*\*] (the “**Threshold**”), in which case the Warrantors shall be liable [\*\*\*].
- 1.2. The total aggregate liability of the Warrantors in respect of [\*\*\*] shall be limited in accordance with clause 6.3.
- 1.3. The liability in respect of each Seller in respect of [\*\*\*] shall be limited to a maximum amount equal to [\*\*\*] of the aggregate of the Total Consideration paid to such Seller, except for [\*\*\*] with respect to [\*\*\*] set forth in [\*\*\*], which shall be limited to a maximum amount of [\*\*\*]. The liability in respect of each Seller in respect of [\*\*\*] shall be limited to a maximum amount equal to [\*\*\*], except in the case of [\*\*\*], which shall be limited to a maximum amount of [\*\*\*].
- 1.4. The liability of each Seller, in respect of [\*\*\*] made against such Seller, and the liability of each Warrantor for [\*\*\*] made against such Warrantor, shall be limited to a maximum amount equal to [\*\*\*].
- 1.5. Subject to paragraph 4 of this Schedule 8, the aggregate liability of any Seller for all claims under this Agreement shall be limited to a maximum amount equal to [\*\*\*].

#### 2. TIME LIMITATIONS

- 2.1. No Seller, in respect of [\*\*\*], or Warrantor, in respect of [\*\*\*], shall be liable for such Claim (as the case may be) unless the Buyer has given the Sellers' Representative and each Warrantor notice of such Claim (as the case may be), which notice shall state in reasonable detail the nature of the Claim, the grounds on which it is based (including which Warranty has or Warranties have been breached) and a good faith estimate of the amount claimed and must be notified to the Sellers' Representative or Warrantor (as the case may be):
  - (a) on or before the date that is [\*\*\*] after the Completion Date in respect of [\*\*\*];

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- (b) on or before [\*\*\*] in respect of [\*\*\*]; or
- (c) on or before [\*\*\*] in respect of [\*\*\*].

2.2. No Seller shall be liable for [\*\*\*] or Warrantor shall be liable for [\*\*\*] unless proceedings in respect of such Claim (as the case may be) are issued and served on the Sellers' Representative within a period of [\*\*\*] starting on the day of the Buyer's notification of such Claim pursuant to Section 2.1 above and provided that such Claim has not otherwise been satisfied, settled or withdrawn.

3. **RECOURSE FOR [\*\*\*]**

In the event that any Seller is liable to the Buyer in respect of [\*\*\*] following the earlier of (i) exhaustion of the money standing to the credit of the Escrow Account and (ii) the Release Date, the Buyer's [\*\*\*] recourse for such liability shall be [\*\*\*].

4. **NO LIMITATION FOR FRAUD ETC.**

Nothing in this Schedule 8 shall have the effect of limiting or restricting any liability of any Seller or Warrantor in respect of a Claim arising as a result of any fraud, wilful misconduct or wilful concealment by or on behalf of that Seller or Warrantor.

5. **RECOVERY ONLY ONCE**

The Buyer is not entitled to recover more than once in respect of any one matter giving rise to a loss or liability under this Agreement.

6. **THIRD PARTY RECOVERY**

6.1. If the Sellers pay to a Buyer's Group Undertaking an amount in respect of a Claim and a Buyer's Group Undertaking subsequently recovers from another person an amount which is referable to the matter giving rise to the Claim:

- (a) if the amount paid by the Sellers in respect of the Claim is more than the Sum Recovered, the Buyer shall promptly pay to the Sellers the Sum Recovered; and
- (b) if the amount paid by the Sellers in respect of the Claim is less than or equal to the Sum Recovered, the Buyer shall promptly pay to the Sellers an amount equal to the amount paid by the Sellers.

For the purposes of paragraph 6.1 of this Schedule 8, “**Sum Recovered**” means an amount equal to the total of the amount recovered from the other person plus any interest in respect of the amount recovered from that person less all reasonable costs incurred by a Buyer’s Group Undertaking in recovering the amount from the person.

6.2. If the Buyer or a Buyer’s Group Undertaking becomes aware that matters have arisen which will or could reasonably be expected to give rise to a Claim, the Buyer will (or will procure that the relevant Buyer’s Group Undertaking will) where practicable (and provided such information is not subject to confidentiality or is not privileged) disclose in writing to the Sellers’ Representative such information and documents relating to the Claim as the Sellers’ Representative may reasonably request (at the sole cost of the Sellers) and will consult with those Sellers to the extent practicable and have regard to their reasonable representations in respect of the resolution of the Claim.

## 7. **ACCOUNTS**

The Sellers shall have no liability in respect of any Claim if and to the extent that any allowance, provision or reserve was made or otherwise reflected in the Accounts or the Completion Accounts in respect of the matter or circumstances giving rise to the Claim.

## 8. **TAX**

8.1. The Sellers shall not be liable in respect of [\*\*\*] to the extent that:

- (a) it has been discharged or made good without cost or loss to the Buyer; or
- (b) it arises or is increased as a result of any increase in the rates of Tax announced after the date of this Agreement; or
- (c) it arises or is increased by virtue of the failure or omission by the Company or the Buyer to make any claim, election, surrender or disclaimer or give any notice or consent or do any other thing after Completion (otherwise than at the written request of the Sellers), the making, giving or doing of which was taken into account or assumed in computing any provision or reserve for Tax in the Completion Accounts; or
- (d) any Relief (other than a Relief which has been reflected or shown as an asset in the Completion Accounts, or has been taken into account in calculating any provisions for Tax in the Completion Accounts) is available to reduce or eliminate such Tax liability.

9. **CHANGE IN LAW**

The Sellers shall not be liable in respect of any Claim to the extent that it arises, or its value is increased, as a result of a change in any law, legislation, rule or regulation (including any new law, legislation, rule or regulation) that comes into force or otherwise takes effect after the date of this Agreement.

10. **VOLUNTARY ACTS**

10.1. The Sellers shall not be liable in respect of any Claim to the extent that the matter or circumstance giving rise to such Claim arises, occurs or is otherwise attributable to, or the Sellers' liability pursuant to such Claim is increased as a result of:

[\*\*\*].

10.2. The Sellers shall not be liable in respect of any Claim to the extent that [\*\*\*].

11. **SET OFF**

11.1. Subject to the procedures set forth in paragraph 11.2 below, the Buyer shall be entitled to deduct from the Contingent Consideration payable to a Seller or Sellers when it becomes due and payable in accordance with the provisions of Schedule 5 (*Contingent Consideration*), an amount equal to any Claim which may exist at the date upon which the Contingent Consideration falls due to be paid by the Buyer; *provided, however*, that in respect of [\*\*\*], the Buyer may only deduct or withhold from the Contingent Consideration payable to the Sellers the proportion of the Contingent Consideration (as notified by the Sellers' Representative pursuant to clause 3.5 of the Agreement) that is due or becomes due to [\*\*\*].

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- 11.2. If in connection with a payment of Contingent Consideration that has become due and payable in accordance with the provisions of Schedule 5 (*Contingent Consideration*), the Buyer in good faith believes that a Claim exists and the Buyer intends to make a deduction to such Contingent Consideration as permitted under paragraph 11.1 above, the Buyer shall, within three (3) Business Days following such payment becoming due and payable, deliver to the Sellers' Representative and each Warrantor a notice in writing (a "**Set Off Notice**") of such Claim, which Set Off Notice shall state in reasonable detail the nature of the Claim, the grounds on which it is based (including which Warranty has or Warranties have been breached) and a good faith estimate of the amount claimed (the "**Set Off Claim**"). If the Sellers' Representative wishes to dispute the Set Off Claim on behalf of the Sellers or any Seller, it may, within twenty (20) Business Days of receipt of the Set Off Notice, indicate the same by written notice to the Buyer (the "**Set Off Dispute Notice**") which also shall state in reasonable the basis for the Sellers' Representative's dispute and the grounds on which it is based, in which case, either the Buyer or the Sellers' Representative may then elect to initiate an alternative dispute resolution proceeding pursuant to the procedures set forth in clause 23.3 for purposes of having the Set Off Claim settled (a "**Set Off ADR**")
- 11.3. Promptly following timely receipt of the Set Off Dispute Notice, the Buyer shall deposit the applicable Contingent Consideration into escrow with SunTrust Bank or another escrow agent mutually acceptable to the Buyer and the Sellers' Representative. The applicable Contingent Consideration shall be released from escrow and paid in accordance with the decision of the arbitrators in such Set Off ADR.
- 11.4. For the avoidance of doubt, the set-off right set out in this paragraph 11 shall not apply to [\*\*\*].
12. [\*\*\*]
- [\*\*\*].

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13. **CONDUCT OF THIRD PARTY CLAIMS**

13.1. The provisions of this paragraph 13 shall apply in the event that any third party brings or makes (or threatens to bring or make) any claim, demand, action or proceedings against any of the Buyer or a Buyer's Group Undertaking which may reasonably be considered likely to give rise to a Claim (a "**Third Party Claim**").

13.2. In the event of a Third Party Claim, the Buyer shall:

- (a) as soon as reasonably practicable [\*\*\*] give written notice of the Third Party Claim to the Sellers' Representative, specifying in reasonable detail the nature of the Third Party Claim;
- (b) permit the Sellers' Representative to participate in the defence of (but not conduct or control) such Third Party Claim at the expense of the Sellers' Representative;
- (c) keep the Sellers reasonably informed (through the Sellers' Representative) of the progress of, and all material developments in relation to, the Third Party Claim;
- (d) provide the Sellers' Representative with copies of all material information and correspondence relating to the Third Party Claim; and
- (e) give (and cause each relevant Buyer's Group Undertaking to give) the Sellers' Representative and/or its professional advisers access at reasonable times (and on reasonable prior notice) to its premises and personnel, and to any relevant assets, accounts, documents or records within its control, for the purposes of enabling the Sellers to assess the Third Party Claim and to exercise their rights under this paragraph 13.2.

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13.3. The Buyer shall have the right in its sole discretion to conduct the defence of and to settle or resolve such Third-Party Claim. However, without the prior written consent of the Sellers' Representative, which consent will not be unreasonably withheld, delayed or conditioned [\*\*\*]. In the event that the Sellers' Representative has consented in writing [\*\*\*], neither the Sellers' Representative nor any Seller shall have any power or authority to object [\*\*\*].

13.4. The Sellers shall indemnify the Buyer in respect of all costs, charges and expenses that are reasonably and properly incurred by the Buyer (or any other member of the Buyer's Group) in connection with the defence of a Third Party Claim.

14. **PROVISION OF INFORMATION**

If, at any time after the date of this Agreement, a Seller wants to insure against its liabilities in respect of a Claim, the Buyer shall provide such information and assistance as a prospective insurer may reasonably require before effecting the insurance.

15. **PRESERVATION OF INFORMATION**

The Buyer shall, and shall ensure that each Buyer Group Company will, use reasonable endeavours to preserve all documents, records, correspondence, accounts and other information whatsoever relevant to a matter which may give rise to a Claim.

16. **RELEASING SELLER FROM LIABILITY**

The Buyer may release or compromise in whole or in part the liability of any of the Sellers under this Agreement or grant any time or indulgence to that Seller without affecting the liability of any other Seller.

17. **CONTINGENT LIABILITIES**

If any potential Claim arises as a result of a contingent or unquantifiable liability of any Buyer's Group Undertaking, each Seller will not be obliged to pay any sum in respect of the potential Claim until the liability either ceases to be contingent or becomes quantifiable; provided, however, that this paragraph 17 shall not restrict the Buyer from setting off and deducting the Buyer's reasonable estimate of any such potential Claim from Contingent Consideration, as permitted by paragraph 11.

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**EXECUTED** and **DELIVERED** as a **DEED** by )  
**DENALI THERAPEUTICS INC.** acting by an )  
authorised officer ) .../s/ Steve Krognes.....

In the presence of:

*Signature of Witness:* .....

*Name of Witness:* .....

*Address of Witness:* .....

.....

*Occupation of Witness:* .....



**EXECUTED** and **DELIVERED** as a **DEED** by )  
**SHAREHOLDER REPRESENTATIVE** )  
**SERVICES LLC.** acting by an authorised officer ) .../s/ [\*\*\*].....

In the presence of:

*Signature of Witness:* .....

*Name of Witness:* .....

*Address of Witness:* .....

.....

*Occupation of Witness:* .....

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**EXECUTED** and **DELIVERED** as a **DEED** by [\*\*\*]  
an authorised signatory of  
**ATLAS VENTURE ASSOCIATES VII, INC.** acting in its  
capacity as general partner of **ATLAS VENTURE  
ASSOCIATES VII, L.P.** acting in its capacity as general  
partner of **ATLAS VENTURE FUND VII, L.P.**

In the presence of:

.../s/ [\*\*\*].....

*Signature of Witness:*

.....

*Name of Witness:*

.....

*Address of Witness:*

.....

.....

.....

*Occupation of Witness:*

.....

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---

**EXECUTED and DELIVERED as a DEED**

by [\*\*\*]  
an authorised signatory of  
**AESCAP VENTURE MANAGEMENT B.V.** acting as  
manager of  
**COÖPERATIVE AESCAP VENTURE I U.A.**

In the presence of:

.../s/ [\*\*\*].....

*Signature of Witness:*

.....

*Name of Witness:*

.....

*Address of Witness:*

.....

.....

.....

*Occupation of Witness:*

.....

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**EXECUTED and DELIVERED as a DEED by TVM LIFE  
SCIENCE VENTURES VI GMBH & CO. KG acting by**  
\_\_\_\_\_, authorised signatory

In the Presence of: ...../s/ [\*\*\*].....

*Signature of Witness:* .....

*Name of Witness:* .....

*Address of Witness:*  
.....  
.....  
.....

*Occupation of Witness:* .....

CONFIDENTIAL

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---

**EXECUTED and DELIVERED as a DEED**  
by \_\_\_\_\_, authorised signatory of **TVM**  
**LIFE SCIENCE VENTURES VI CAYMAN LIMITED**  
acting as a general partner of

**TVM LIFE SCIENCE VENTURES VI LIMITED**  
**PARTNERSHIP**

In the Presence of:

.../s/ [\*\*\*].....

*Signature of Witness:* .....

*Name of Witness:* .....

*Address of Witness:* .....

.....

.....

.....

*Occupation of Witness:* .....

.....

**EXECUTED** and **DELIVERED** as a **DEED** by **MP HEALTHCARE VENTURE MANAGEMENT, INC.** acting by \_\_\_\_\_, an authorised signatory

In the Presence of: ...../s/ [\*\*\*].....

*Signature of Witness:* .....

*Name of Witness:* .....

*Address of Witness:*  
.....  
.....  
.....

*Occupation of Witness:* .....

CONFIDENTIAL

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---

**EXECUTED** and **DELIVERED** as a **DEED** by **MERCK VENTURES B.V.** acting by \_\_\_\_\_, an authorised signatory

In the Presence of:

.../s/ [\*\*\*].....

*Signature of Witness:*

.....

*Name of Witness:*

.....

*Address of Witness:*

.....

.....

.....

*Occupation of Witness:*

.....

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

---

**EXECUTED** and **DELIVERED** as a **DEED** by **S.R. ONE, LIMITED** acting by [\*\*\*], a duly authorised officer

.../s/ [\*\*\*].....

In the Presence of:

*Signature of Witness:*

.....

*Name of Witness:*

.....

*Address of Witness:*

.....

.....

.....

*Occupation of Witness:*

.....

CONFIDENTIAL

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\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

---



**EXECUTED** and **DELIVERED** as a **DEED** by [\*\*\*]

.../s/ [\*\*\*].....

In the Presence of:

*Signature of Witness:*

.....

*Name of Witness:*

.....

*Address of Witness:*

.....

.....

.....

*Occupation of Witness:*

.....

CONFIDENTIAL

\*\*\* Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. [\*\*\*] indicates that text has been omitted and is the subject of a confidential treatment request.

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Ryan J. Watts, Ph.D., certify that:

1. I have reviewed this Form 10-Q/A, Amendment No. 1, of Denali Therapeutics Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: December 6, 2018

/s/ Ryan J. Watts

Ryan J. Watts, Ph.D.

President and Chief Executive Officer

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Steve E. Krognes, certify that:

1. I have reviewed this Form 10-Q/A, Amendment No. 1, of Denali Therapeutics Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: December 6, 2018

/s/ Steve E. Krognes

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Steve E. Krognes

Chief Financial Officer and Treasurer